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# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Truce in French port blockade

Tourists stranded in France by the fishermen's blockade of the Channel ports crammed into Cherbourg where the barrage was lifted for 24 hours to 11 am today. Ferries were being diverted to the port as cars queued three abreast on entrance roads.

The fishermen also lifted their blockade of Corsica, but elsewhere the dispute worsened with half of France's fishing ports impassable. Forty ships waited outside Le Havre, and a further 30 were trapped inside.

Hovercraft services to and from Boulogne and Calais are still unaffected, and bottlenecks at Belgian ports have eased. Back Page

### 62 die in crash

At least 62 people were killed and another 50 injured when a goods train collided head-on with a crowded passenger train near Torun in central Poland. Polish leaders flew to the scene of the crash.

### Israeli raid

Israeli soldiers claim they killed between 40 and 50 Palestinian guerrillas in a raid on four targets in southern Lebanon's Amoun Plateau. Three Israelis died. Page 3

### Threat to Times

Journalists on The Times will decide today whether to strike following a management decision not to pay them a recent arbitration award averaging 21 per cent.

### Reagan warned

U.S. Presidential candidate Ronald Reagan has been warned by China that any attempt to restore links with Taiwan could damage relations between Washington and Peking. Page 3

### Mid-East flights

British Caledonian wants to operate four flights a week between Gatwick and the Middle East, as part of its new service to Hong Kong, the airline told a Civil Aviation Authority hearing. Page 6

### Post Office head

Sir Henry Chilver, Vice-Chancellor of Cranfield Institute of Technology, will become temporary chairman of the Post Office when Sir William Barlow leaves next month. Back Page

### TUC invitation

An expected invitation to Leader of the Opposition James Callaghan to address the Trades Union Congress could reinforce the hopes of those who want him to stay on as Labour Party leader. Page 7

### Men reinstated

Two men dismissed from Brixton employment office, whose case led to mass picketing, should be reinstated, the Civil Service Appeal Board ruled. Page 7

### Bullfighter gored

Millionaire bullfighter Manuel Benit - El Cordobes - is seriously ill in Madrid after being gored during a village bullfight. He returned last year after seven years' retirement.

### Briefly...

New York's newest financial daily, The Wall Street Final, suspended publication after two months because of shortage of funds.

A New Delhi man has entered a glass chamber with 45 venomous snakes and hopes to set a world record by staying there 75 days.

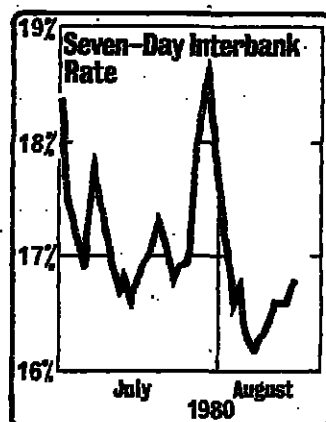
### BUSINESS

## Sterling weaker; Dollar steady

STERLING was generally weaker and finished with a trade-weighted index down to 75.4 (75.5). Against the dollar, it shed 90 points to close at \$2.3605. DOLLAR was steady in quiet trading. Against the D-mark it closed at DM 1.8005 (DM 1.7990), but was weaker against the Japanese yen. Its trade-weighted index eased to 84.8 from 85.0. Page 19

GOLD rose \$11 an ounce in London to close at \$623.5 in a market without any pronounced trend. Page 19

MONEY MARKET interest rates continued to rise in London yesterday in response to further shortages of liquidity.



Seven-day interbank rates have risen by about 1/2 of a per cent in the last 10 days.

GILTS drifted lower on fears of higher U.S. interest rates. The Government Securities index shed 0.15 to finish at 69.07. Page 22

EQUITIES remained steady in a receding volume of trading. The FT 30-share index closed 0.5 higher at 488.1. Page 22

WALL STREET was down 2.95 to 945.65 near the close. Page 20

BP will today respond to a 20 per cent wage claim from its refinery manual workers at Grangemouth, Scotland, in one of the first negotiations in the new pay round. Back Page

HEALTH AND SAFETY Commission has told the Government it will not be able to carry out its full functions under the law satisfactorily if forced to make further spending cuts. Back Page

RAILWAY union leaders failed to agree on a preliminary package of claims proposed by the National Union of Railwaymen, delaying implementation of British Rail's productivity measures. Back Page

BRITAIN'S trade with the EEC accounts for 42 per cent of all UK exports and 45 per cent of all imports, the EEC Commission reports. Page 4

MR. JOHN READ has left Unigate after five years in which he and Mr. John Clement, the chairman and joint chief executive, worked together closely on the company's structure and image. Page 6

SIR HENRY CHILVER, vice-chancellor of Cranfield Institute of Technology, is to become temporary chairman of the Post Office when Sir William Barlow leaves next month. Back Page

### COMPANIES

LONDON AND SCOTTISH MARINE Oil, which has reported a pre-tax profit of £20.36m for the first half of this year against £2.8m in the same period last is switching much of its North Sea crude sales from the spot market. Page 14; Lex, Back Page

DE BEERS Consolidated Mines' first-half profits were £343.4m (£190.6m) against £340.1m for the same period last year. Page 15; Lex, Back Page

## Bowater closure halves UK newsprint capacity

BY WILLIAM HALL and JOHN ELLIOTT

BOWATER, Britain's biggest newsprint producer, is closing its main newsprint mill at Ellesmere Port in Cheshire. The move will cost 1,600 jobs and halve the country's newsprint capacity.

Bowater, in common with Reed, the only other UK newsprint producer, has been losing money for several years on its UK production.

Bowater has forecast that its Mersey Mill at Ellesmere Port, would lose "at least £6m" before tax in the current year and it has been urgently seeking Government aid to keep it open. It blamed the closure on high wood and energy costs.

Aside from producing 185,000 tonnes a year of newsprint (15 per cent of UK consumption), it also uses 270,000 tonnes of home grown timber. The closure means Reed is now the only significant newsprint producer in the UK with about 10 per cent of the market.

The Society of Graphical and Allied Trades reacted sharply, warning of the possibility of newspaper disruptions.

The Government's refusal to subsidise the company's operating costs reflects the determination of Sir Keith Joseph, Industry Secretary, not to use public funds to prop up lame duck enterprises at a time when Ministers are receiving pleas for help over energy prices from many industries.

The Government would have been prepared to provide

several millions of pounds of aid to assist Bowater build a new pulp mill because this would have involved new investment aimed partly at cutting imports.

But Ministers are not prepared to provide funds to offset high energy costs, at least until studies now being started by the Confederation of British Industry and the National Economic Development Office produce a firm statistical base on which such key political decisions can be made.

Bowater said yesterday that, in spite of a continuing full orderbook for its Ellesmere Port mill, its financial position was not likely to improve.

Although raw materials prices have risen substantially, there has been no price increase - after rebates - for newsprint in the UK over the last three and a half years because sterling's strength has kept down the price of imported newsprint which dominates the market.

Bowater said yesterday that the costs of wood, coal and electricity in Britain were extremely high compared with North American and Scandinavian competitors.

"With no prospect of any meaningful reduction in these manufacturing costs the closure of the mill is forced," the group said.

Dr. Ingram Lenton, Bowater's UK chief executive, said that the mill would have wood and energy costs for

ing talks with a senior member of the leadership, but there are no signs that this demand will be met.

The authorities feel they cannot talk to the Gdansk strike committee for two reasons. One is that the committee includes members of the dissident free trade union, a small group which has gained enormously in influence since the strike began.

Second, the authorities are refusing to negotiate on those of the strikers' demands which they describe as "anti-socialist". These are mainly the demand for the right to set up an independent trade union movement, and the demand that the authorities respect the right of free speech as guaranteed in the Polish constitution.

The authorities clearly feel that the latter demand would endanger the present system of censorship, and, as a Government official said yesterday, would "open the media to anti-socialist elements".

Where the Warsaw Pact forces are, Page 2  
Polish coal deal, Page 4

## Strikers snub Gierek's call for return to work

BY CHRISTOPHER BOBINSKI IN WARSAW

STRIKING Polish workers in the Baltic towns of Gdansk and Gdynia failed yesterday to heed a call by Mr. Edward Gierek, the Communist party leader, to call off their action. The Government confirmed that security forces in the region had been increased.

An inter-factory strike committee, representing more than 150 plants in the Gdansk area, said the workers stood by their demand that the authorities recognise their right to set up an independent trade union movement.

Meanwhile, strikes spread to the neighbouring towns of Sztogard, Gdansk and Slupsk, while about ten plans in the coastal town of Szczecin were reported to have stopped work yesterday. The Government said in Warsaw that the authorities were refusing to negotiate with the Gdansk "umbrella" strike committee, as they did not consider that it represented the striking workers.

But a Government commission headed by Mr. Tadeusz Pyka, the deputy premier, which is in Gdansk to examine the strikers' demands, was reported to have started talks

with individual plants. Mr. Pyka is accompanied by Mr. A. Jedynak, the Minister responsible for shipbuilding and by Mr. Adam Kowalik, the Internal Trade Minister.

The commission also includes representatives from the official Central Trade Union Council, which has come under attack from the strikers. It is clear that the authorities are hoping to try to weaken the inter-factory strike committee by negotiating a return to work with the more important plants in the area.

Any show of force in the city itself would seriously endanger this policy, and a Government official commenting on reports that significant numbers of security units were being moved towards Gdansk, said: "They are not going to be used, as there is no need."

The authorities hope that Mr. Gierek's speech will stem the wave of strikes and persuade people to go back to work. But initial reactions suggested that it lacked the necessary credibility to achieve this. The strikers in Gdansk are demand-

## BL talks to BMW on parts exchange

By Elinor Goodman and Kenneth Gooding

BL and the West German car maker BMW have begun preliminary discussions about a possible exchange of components for future models.

BL stressed last night that the arrangement would be "no more than a simple co-operation deal."

The group denied any intention of making a future BMW model under licence in a deal similar to the one with Honda of Japan.

BL maintained that discussions with BMW (Bayerische Motoren Werke) were at the very early stages - "just exploratory talks."

It would give no details about the type of components under consideration.

### Resources

But it would make sense for the companies to combine resources to make some key components for future low-volume models, in BL's case perhaps a Jaguar.

BMW makes motor cycles and diesel engines as well as sports saloons. Its car output last year was 328,531 compared with BL's 504,000.

If the two do come to some firm arrangement they would be following a well established trend.

Co-operation in developing and producing components is certain to become an even more important feature of the European motor industry in the 1980s as companies seek to cover the huge costs of design and tooling with bigger output.

BL is known to have talked to Volkswagen and Renault about the joint development or exchange components.

### Difficult

But such deals always prove extremely difficult to work out. One reason is that they always involve future models about which both potential partners are inevitably secretive.

So far the only deal BL has formally announced involves commercial vehicles. Leyland Vehicles is to make a new truck gearbox under licence from ZF of West Germany, starting in 1983.

Leyland Vehicles has also come close to completing another components deal, rumoured to involve the supply of products to Renault's commercial vehicle offshoot.

## Prime raised to 11 1/4% by Chase

BY IAN HARGREAVES IN NEW YORK

CHASE MANHATTAN yesterday raised its prime lending rate by a quarter point to 11 1/4 per cent. The move, if followed shortly by other banks, would trigger the first general upward move in the prime since April.

Chase's decision to lift its rate, which two weeks ago was at 10 3/4 per cent, reflects a build up in the bank's borrowing costs as short-term interest rates in the U.S. credit markets have moved higher in the past month.

This upward trend was stimulated by growing evidence that the U.S. economy is well past the low point in the current recessionary cycle, as well as more ominous signs the U.S. may already be leaving the recession behind it without having tamed its inflation problem.

This in turn has awakened Wall Street's fears that the Federal Reserve may be forced to tighten its credit policy and force up rates.

The most recent round of upward pressure on interest rates came last week when the Federal Reserve reported a record weekly increase in narrowly defined money supply, as well as large increases in the more broadly defined M2, which is only reported monthly.

On Monday, this sent the rate on three-month certificates of deposit in New York above the 10 per cent mark for the first time for three months.

Certificates of deposit are an important means of raising funds for banks.

There was no relief from these pressures on Wall Street yesterday, where a quiet credit market tried to take stock of recent developments. Bond

## Money market rates up

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MONEY MARKET interest rates in London jumped yesterday as a serious shortage of money appeared ahead of the monthly collection of banking and monetary data today.

A number of banks, including one clearer and certain foreign banks, face difficulties in trying to maintain the required minimum ratio between certain reserve assets (such as gilts of less than a year to maturity and Treasury bills) and their liabilities (their deposits).

The problem has arisen because of a draining away of funds in response to big income-tax payments, large calls on part-time gilts and a continuing high level of bank lending.

The result yesterday was that the Bank of England appeared to have underestimated the assistance needed in the money markets, and overnight interbank rates were quoted at 19 per cent.

One-week interbank rates -

£ in New York			
	Aug. 18	Aug. 15	Previous
Spot	\$2.3695-3610	\$2.3690-3710	
1 month	1.47-1.51 dls	1.34-1.29 dls	
3 months	5.40-5.34 dls	5.57-5.52 dls	
12 months	7.85-7.05 dls	7.70-7.55 dls	

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS			
A. B. Electronics	184 + 6	Allstate Explan.	90 + 5
Assoc. Leisure	113 + 6	De Beers Deft.	410 + 7
Barclays Bank	420 + 8	Gopeng Cons.	590 + 30
Brown (J.)	621 + 2	Haoma Gold	180 + 6
Farnell Electronics	357 + 20	Impala Plat.	350 + 10
GUS 'A'	454 + 8	Metals Explan.	80 + 7
Hall (M.)	268 + 9	FALLS	
Hambros Bank	548 + 18	Blackwood Hedge	43 - 6
Instock Johnson	69 + 5	Catalin	52 - 8
Ladbroke	190 + 8	Clay (R.)	48 - 8
Meat Trade Supp.	82 + 3	Dufay Bitumastic	25 - 6
Ocean Transport	135 + 7	Hawker Siddley	222 - 10
Pearl Assurance	414 + 14	Hoover 'A'	142 - 8
P & O Deft.	132 + 5	Lowell (G. F.)	68 - 4
Security Centres	48 + 5	Philips Lamps	382 - 13
Stock Conversion	452 + 9	Unigate	118 - 6
Imp. Cont. Gas	820 + 12	U.D.T.	44 - 4
Guthrie	875 + 50	LASTMO	
Hidong Estate	85 + 4	Mout Lyell	95 - 6
Sogomana	375 + 15	Nickelore	64 - 11
		Western Mining	398 - 7

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# Carter 'renewal' package will include big tax cuts

BY DAVID BUCHAN IN WASHINGTON

THE "ECONOMIC renewal" programme which President Jimmy Carter will announce next week will, after all, include a plan for up to \$30bn in tax reductions for individuals and business in 1981, according to Administration officials.

But the President is still expected to stress that tax cuts should not be hurried through Congress just to win votes in time for the election. Despite some tax-cutting fervour in the Senate, doubt exists whether both houses have time left to pass legislation before Congress recesses in October.

The Administration began leaking elements of its new economic plan during the Democratic Convention in New York, to bolster its opposition to demands for a \$12bn public spending, job creation programme by liberals led by Senator Edward Kennedy.

The main elements include a tax reduction in 1981 that would have the twin aims of offsetting the planned \$15bn social security tax increases next year, and of stimulating business investment by allowing companies to write off new plant and equipment against tax in a shorter time.

The latter provision could

cost the Treasury \$5.5bn in 1981, and more later.

None of this controversial—according to general sentiment in Congress. But the Administration is warning against hasty tax cuts which simply put more money in consumer's pockets and boost the inflation rate again.

Another facet would be the financing of alternative energy, public transport, rail and port improvements out of the multi-billion dollar proceeds of the windfall profits tax on oil companies over the next decade.

Feeling the pinch of the new tax, the oil industry showed its first decline in profits for two years, according to Government figures yesterday on corporate profits in the April-June quarter. Overall, U.S. company profits dropped in the second 1980 quarter by a record \$19bn.

This part of the Administration's plan is its alternative to the \$12bn which the Kennedy forces wanted spent to create about 800,000 jobs. This, the Administration argued, would have been spent too randomly without improving ageing industrial infrastructure.

Aid to depressed regions of the country would be improved in recognition of the spotty

geographical nature of the economic recession. As a

senior labour department official said this week, the constancy of the national unemployment rate in June and July masked a rise in unemployment in the broad areas from Pennsylvania to Michigan, and an actual drop in other states.

Administration officials say they want to avoid a detailed industrial policy on the model of most European countries, whereby American civil servants would be in the business of picking "winners" among sectors of industry and bailing out the "losers." They excuse the government rescue of Chrysler as a one-off exception which they hope not to have to repeat.

But the administration has already set up a tripartite committee—of representatives from unions, management and government—for steel, and plans to do the same for the hard-hit car industry.

It also happens that the Pennsylvania-Michigan belt—which is crucial to President Carter's re-election chances—is the base for the car, steel and rubber industries, which have all been suffering.

## EEC hits back at anti-market arguments

By Margie Lindsay

AT A TIME when UK businessmen appear keen to condemn Britain's membership of the European Economic Community, trade figures indicate that the UK is continuing to do well out of its European partnership.

The point was emphasised recently by the London office of the EEC Commission. It pointed out that Britain's trade with the EEC accounts for 42 per cent of all UK exports and 45 per cent of all imports. This was the EEC average, but was still rising. For example, West Germany had displaced the U.S. as Britain's largest export market.

The Commission's observations have come on the heels of the recent London-based Institute of Directors (IOD) survey which showed that more than half Britain's businessmen were against EEC membership.

It was the Commission's view that the IOD report was not accurate and not a true reflection of UK feelings. It pointed to the generally low response to the survey—only 414 companies replied out of several thousand polled—and there was a high percentage of "don't know" in response to questions asked about the value of EEC membership. It did acknowledge, however, that there was a lack of confidence felt by businessmen in their dealings with the EEC.

Sectorially, for example, Britain appears to be doing badly with deficits in most areas, but this is closing.

It noted that the trend was for UK exports to the EEC to rise faster than imports, exports last year having risen by 30 per cent and imports by 25 per cent. Excluding North Sea oil, UK exports to the EEC rose by 22 per cent in 1979, while imports to the rest of the world rose by only 5.5 per cent.

Despite an optimistic view, the report also pointed out flaws in Britain's approach to EEC trade. In a series of interviews following the trade analysis companies, such as Rank Xerox, ICI and GEC, commented on their experiences of trading in the EEC.

Most found out that an aggressive marketing attitude in Europe was needed. Agents and distributors in member states were helpful in selling products and in overcoming local obstacles. A knowledge of other European languages was essential.

The successful companies manufactured products suited to the markets. Both the Trebor Group and Dowty Hydraulic Units noted that products need to be adapted to meet European tastes and needs.

Knowledge of proposed EEC legislation and understanding how to lobby for changes in proposals was essential, said Rank Xerox, Imperial Foods and Govett European.

Most of the blame for a lack of successful trading in the EEC lies squarely with the UK businessman and not with the Community as an institution, the Commission suggested.

Its survey showed that UK companies could do well in Europe, but better planning, imagination and determination, as well as an understanding of how the EEC works was required. The message is clear: It is no good complaining about the game if you are not willing to learn the rules.

## Bonn assures U.S. over Soviet plant

BY ROGER BOYES IN BONN

A CONTROVERSIAL West German aluminium deal under negotiation with the Soviet Union does not breach Bonn's understanding with the U.S. restricting sensitive exports to the East, according to West German officials.

The reassurance has effectively defused a potential row with the U.S. over the planned deal between Klockner Industrieanlagen, the West German industrial plant specialist, and the Soviet Union. U.S. Department of Commerce officials had indicated that they were seeking "clarification" on the matter from the Bonn Government on the deal.

The issue has its roots in an abandoned joint project between Alcoa, the U.S. aluminium concern, and Klockner Industrieanlagen

under which an advanced aluminium smelter—using an electrolysis process—would have been supplied to Moscow. The project involved some advanced technology, including process steering machinery. Following the U.S. restrictions on high technology trade with Moscow—imposed after the Soviet invasion of Afghanistan—Alcoa withdrew and the project folded.

Klockner Industrieanlagen is now involved in a second aluminium smelting project, and this has triggered fears in the U.S. that the West German company was trying to profit from Alcoa's withdrawal. But both Bonn and Klockner deny that this is the case.

The new project involves virtually no advanced tech-

nology, and the value of the potential order is far below the DM 1bn (£235m) mooted for the original scheme. The company, said Economics Ministry officials yesterday, was neither in breach of the Cocom list of restricted strategic exports to the Soviet Union nor was it jumping in to business abandoned for political reasons by the U.S.

Ever since Bonn agreed that it would not seek to profit from the U.S. embargo, suspicious glances have been cast at West Germany's trade with the East. Thus U.S. officials privately expressed concern when Bonn and Moscow gave the political go-ahead recently for negotiations on a major east-west gas link-up.

The West German Government is adamant, however, that

it sticks to both the letter and the spirit of its agreement with the U.S. As almost all large deals with the East require backing from the state-backed Hermes export credit guarantee institution, Bonn has the opportunity to examine most proposed trade deals with the Soviet Union.

● The U.S. Congress has approved and sent to U.S. President Carter a Bill authorising the Export-Import Bank to grant an additional \$1.35bn in loans. AP reports from Washington. The Bill authorises an additional \$251m in direct loans plus \$1.1bn in federal guarantees for private loans. The loan authority will raise the Bank's total programme activity to \$5.9bn, including \$4bn in direct federal loans.

## W. Germans to boost Polish coal imports

BY OUR BONN CORRESPONDENT

WEST GERMANY is expecting to boost radically its imports of Polish coal by an extra 800,000 tonnes a year from 1985 under the terms of the large new banking credit agreed with Warsaw.

The projected coal deliveries played an important part in the arrangement of the recent DM 1.2bn (£280m) credit to Poland, but details of the coal side of the deal have only just emerged. The credit provides for DM 800m to go towards debt servicing while DM 400m—backed by state guarantees—is designed to finance increased coal production.

Bonn is expecting Poland to

place a large part of the DM 400m with German companies to pay for equipment to exploit new coal deposits such as those in the Lublin area. At the same time, Warsaw will provide for increased coal deliveries from 1985.

Polkohl, the West German coal importing and distributing consortium, said yesterday that 4m tonnes of coal would be delivered between 1985 and 1989, that is 800,000 tonnes annually. This will come on top of the 2.5m tonnes that has been exported annually from Poland for several years.

Poland is already Germany's largest overseas supplier of coal

but officials emphasise that there is no threat of excessive dependency.

West Germany is also likely to step up imports from other producers—such as Australia—and thus meet the growing industrial demand for the fuel.

The main significance of the coal shipments, however, is political. Bonn believes that one of the best ways of strengthening the Polish economy, and thus protect its own investments, is to help build up Poland's role as a copper, vanadium and coal supplier. After pushing up coal production by 7.5m tonnes last year, Poland managed to reach a 200m tonnes

output level for the first time. Poland, which exports about a quarter of its production, is the second largest coal supplier on the world market after the U.S.

Originally the plan was for Poland to deliver 1m tonnes of additional coal a year, but this was adjusted after the loan was scaled down from DM 1.5 bn to DM 1.2 bn and the state-backed component from DM 500m to DM 400m.

The banks, disturbed by the high level of Polish indebtedness with the West, had been wary of agreeing to the loan without wide-ranging guarantees from the Government.

## Senate opens Billy Carter probe

BY DAVID BUCHAN IN WASHINGTON

THE SENATE yesterday began its investigation of President Carter's brother Billy in a low key, with Senator Birch Bayh, chairman of the investigating panel, saying he did not expect "any major bombshells" or "a major breach of public trust."

The first witness yesterday was Mr. Henry Coleman, who accompanied Mr. Billy Carter to Libya on two trips in 1978-79. Other early witnesses before the committee, which has hired a high-powered lawyer to direct its inquiry, will include representatives from the Charter Oil Company, which Mr. Billy Carter sought to supply with extra Libyan oil in return for a cash commission.

Their testimony is designed to lay the ground for Mr. Billy Carter's appearance before the committee at the end of this week.

At the same time, President Jimmy Carter bounced back a



Sen. Birch Bayh... panel chairman.

showed the Republican's lead narrowed to 7 percentage points.

Intense television and Press coverage of the New York Democratic Convention was expected to boost Mr. Carter's standing in the polls, though, of course, it also highlighted the barely-healed rift between the President and Senator Edward Kennedy.

The AP-NBC poll conducted last Friday and Saturday showed Mr. Reagan was the choice of 39 per cent of those interviewed and Mr. Carter of 32 per cent.

The staggered scheduling of the two parties' conventions tends to distort the polls. In the last AP-NBC poll, conducted between August 5 and 7—after the Republicans held their convention in Detroit but before the New York Convention—Mr. Reagan scored 47 per cent and the President only 22 per cent.

## Citibank reviews prime formula

BY DAVID LASCELLES IN NEW YORK

CITIBANK, the large New York bank which often leads prime rate moves, confirmed yesterday that it is reviewing the formula it uses for setting its prime rate because of the volatility in the U.S. credit markets.

Mr. G. A. Costanzo, vice-chairman, said: "We are making a study to see how we should react to more flexible interest rates."

For a number of years, Citibank has been unique in the

U.S. banking system for using a publicly-announced formula based on the cost of money market instruments.

Recently, the formula added 1.5 per cent to the average cost of certificates of deposit (CDs) over the previous three weeks. At one time, the formula was based on the cost of commercial paper.

In practice, though, Citibank abandoned the formula earlier this year because of the sharp

swings in interest rates which were caused partly by inflation, and partly by the Federal Reserve's decision to allow short term rates to move more freely.

Mr. Costanzo said Citibank would probably retain CDs as the basis of the formula, but might change the way the prime rate was calculated.

He said Citibank might even consider ditching the formula altogether, though this was unlikely

## Newspaper suspends publication

NEW YORK — The Wall Street Final, New York's newest financial daily, has suspended publication after only two months.

Michael Goldstein, the publisher, said yesterday that the afternoon newspaper, published five times a week since June 18, had run out of funds and was

seeking outside financial support to resume publication.

The newspaper had a daily circulation of between 8,000 to 12,000.

Mr. Goldstein said computer problems, which hampered the paper's ability to publish final stock market prices, and the new afternoon edition of the

New York Daily News, which started yesterday, were factors.

He said that although the newspaper's staff of 20 was on an "enforced vacation," he was not disbanding the operation and would be negotiating with more than one potential partner.

Reuter

## Hopes dim for closer ties between Australia, NZ

BY DAI HAYWARD IN WELLINGTON

MR. ROBERT MULDOON, the New Zealand Prime Minister has warned that the collapse of the garment arrangement between Australia and New Zealand under NAFTA, the New Zealand-Australia Free Trade Agreement, is a bad omen for the development of closer economic co-operation between the two countries.

For nearly a year, officials of both Governments have been working to produce a satisfactory formula to provide closer economic and trade ties.

However, recent Australian moves to shut out imported textiles have hit New Zealand clothing exports across the Tasman, causing much gloom among those advocating closer economic union.

Trans-Tasman trade favours

Australia by just over 2 to 1.

"New Zealand will not accept a situation where the trade balance heavily favours Australia, while Australians want to pick the eyes out of it," said Mr. Muldoon.

He emphasised that considerable negotiation is still required before any closer agreement can be signed. "New Zealand is not going into this closer economic relationship on a basis which will sell out New Zealand industry."

Australia's Endeavour Resources is to lead a consortium of companies, including the UK-registered Charterhall Ltd, which has been granted total energy exploration rights to search for petroleum, coal and oil-shale in the Clarence-Moreton basins of New South Wales.

## British food exports increase by 22%

BY PAUL CHEESBRIGHT

UK FOOD EXPORTS are continuing to rise, but the pace of the rise has slackened. Sales abroad in the second quarter of this year were £467m, compared with £516m in the first quarter, Mr. Paul Amos, chairman of the British Food Export Council, noted yesterday.

But total exports during the 1980 first half were 22 per cent higher than the same period of 1979 at £983.7m against £806.1m.

The council conceded, however, that even this rise, over the longer perspective, was "not dramatic," and cited the effects of inflation on prices and the relatively low levels of exports in the 1979 first half, when sales were hit by domestic industrial disputes.

It is clear, too, that the food

exporters are feeling the effects of higher sterling. Although this has cheapened imports—they were worth £2.81bn in the first half of this year compared with £2.85bn in the same period last year—sales to North American markets have dropped.

Exports to Canada in the first half of this year were £26m against £12.6m in the 1979 first half. The comparable figures for U.S. sales were £13.1m and £17.3m.

In March a council survey had in any case indicated that the majority of food exports preferred a sterling-dollar parity in the range of 1.90-2.10.

Mr. Amos used the latest figures to emphasise the need for a sharp increase in the industry's marketing operations

overseas. He referred to previous injunctions along the same lines which had warned that a failure to boost this activity would result in a worsening balance of trade and higher import penetration.

Although the sterling value of imports has declined since the 1979 first half, import volumes could well be higher. But the ratio of imports to exports remains at three-to-one and is, Mr. Amos said, "still far too high."

The main market for UK exporters remains the EEC, which took over two thirds of sales abroad, for a total of £607.3m during the 1980 first half. This figure is 26 per cent higher than in the same period of 1979.

But the increase hides some

disappointments. There was, for example, a slight drop in exports to France. This was offset by a doubling of exports to the Netherlands, which took in this year's first half £10m more milk products than in the comparable period of 1979.

At the same time, the level of trading in Ireland has remained buoyant, with UK exports climbing to £76.2m from £63.9m.

The patchy nature of the figures and the obvious signs of deceleration in export sales has prompted the council again to try to make itself more representative of the whole industry. To this end, it is planning a series of meetings with the industry's major trade associations, Mr. Amos said.

More and more Brazilians are becoming disenchanted with the Planning Minister's economic policies, writes Diana Smith in Brasilia

## Delfim's magic failing to work another economic miracle

FEW TECHNOCRATS have had economic power as great as that of Prof. Antonio Delfim Netto, Brazil's Planning Minister. Prof. Delfim was given carte blanche by President Jose Figueiredo to work a repetition of the 1969-74 "miracle"—a strong economic growth coupled with declining inflation.

As Finance Minister in the Government or President Ernesto Garrastazu Medici, Prof. Delfim pulled Brazil out of industrial backwardness and stagnation, guiding it into an annual gross domestic product growth of more than 10 per cent. In that era of cheap oil

and raw materials, cheap Brazilian labour, a thriving world market ready to test new Brazilian products, and heavily-censored Brazilian media, economic miracles were easier.

Prof. Delfim gave industry lavish tax relief, and wooed foreign capital with the promise of tame labour and a market whose population was increasing by almost 3 per cent a year.

In today's vastly altered international and domestic circumstances, a repeat performance seems to elude even the optimistic, supremely self-confident Prof. Delfim. In the early 1970s he took inflation

down from 40 to 20 per cent a year ago. This time he vowed to cut inflation from its high of 79.2 per cent in December, 1979, to 45 per cent in December, 1980. At the same time, by encouraging exports and pruning imports to the essentials, he promised to balance trade this year at \$20bn each of imports and exports.

Economists and less exuberant officials questioned the realism of these targets. The price of oil and its impact on consumer prices showed no sign of dropping. Money supply was under fierce pressure from voluminous

credit to farming—offered by Professor Delfim—destined to increase domestic supplies and produce exportable surpluses of high dollar-earners like soya, coffee and cocoa.

Constant devaluations of the cruzeiro drove up the cost of essential imports, while a growing world recession affected Brazil's traditional and new export markets.

Brazilians, unnerved by soaring inflation, were buying, not saving. While the low wages of the majority lost ground to inflation, higher wages were keeping pace, helping to fuel further price rises. Industrialists, however, were avoiding long-term investment, as inflation eroded their profit margins.

But Prof. Delfim insisted his targets could be achieved by squeezing credit growth to 45 per cent for 1980, holding a "monetary correction" (inflation) indexing to the same rate, pruning Government spending, continuing to favour agriculture (at the expense of industry, whose prices were strictly controlled), discouraging imports with a new foreign exchange tax and bureaucratic delays, and discouraging domestic consumption of exportable products by pricing them out of the market.

He cited his critics as "cassandras" and even "idiots"—none more than Sr. Carlos Rischbieter, the former Finance Minister, who repeatedly



Prof. Antonio Delfim Netto... mocks critics.

challenged. Prof. Delfim's promises and projections. A deeply offended Sr. Rischbieter left the Finance Ministry in January, and Prof. Delfim swiftly filled the vacancy with a loyal technocrat, Sr. Ernane Galveas. Thereafter, all personal obstacles removed, Prof. Delfim's economic team went on to fight inflation.

Seven months later their opponents are feeling vindicated. A once-tacturn public is now voicing its discontent; a recent opinion poll showed

that 61 per cent have no confidence in the Administration's economic team.

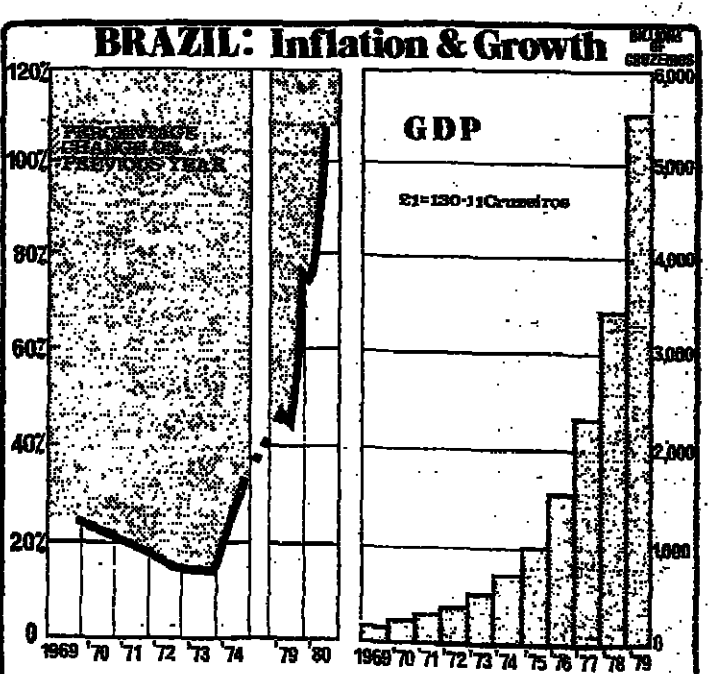
With monthly inflation of between 5.5 and 8.5 per cent since January, year on year inflation hit 107 per cent in July. Prices of oil derivatives, food and utilities are rising particularly fast. The explanation offered by Prof. Delfim and his team is that Brazil is experiencing corrective inflation, deriving from abolition of subsidies on oil derivatives and wheat.

To offset rising, expensive credit and rising costs, and restore the profitability of exports, business has sought what it considers justifiable six-monthly price increases, usually of about 35 per cent.

Prof. Delfim's cavalier response—"take 25 or leave it"—and his whimsical approach to appointments—changed without apology—now earn him many critics among entrepreneurs and bankers.

At the same time, his popularity with his Cabinet colleagues—never proven, because many fear he has his sights set on jobs in their departments for his lieutenants—has waned.

With the dismal inflation figures and a first half trade deficit of \$2bn putting pressure on the current account, Prof. Delfim's airy dismissal of questions and his taste for dazzling economic rhetoric at the expense of concrete state-



## Galveas sees lending crisis

SAO PAULO—Sr. Ernane Galveas, Brazilian Finance Minister, has predicted that, with commercial banks reaching the limits of their ability to recycle petrodollars, a major crisis is ahead for international financial markets.

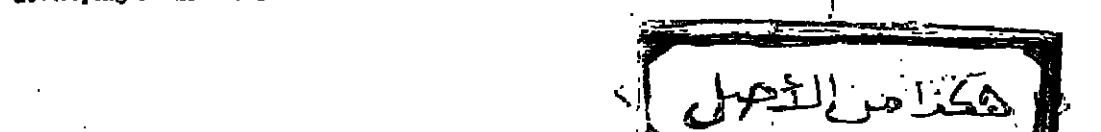
Brazil, one of the world's largest international borrowers, will need about \$12bn this year, according to many international bankers. Its foreign debt of about \$55bn is larger than that of any other developing country.

Sr. Galveas said in a published interview: "In 1979, when petroleum prices doubled again, we (the developing countries) entered

another crisis, which I consider now to be worse than the crisis of 1974-75."

"The crisis of 1979-80 is happening at a moment when the ability of the international banking community to recycle petrodollars is practically exhausted."

The Minister said that official institutions such as the World Bank will have to take more of the recycling burden now carried almost entirely by commercial banks. "If there is not a... revolutionary solution (financial) world may enter 1981 under one of the worst crises," he said. AP-DJ





# Israel strikes at Palestinian bases

BY DAVID LENNON IN TEL AVIV

THREE ISRAELI soldiers were killed in a fierce hand-to-hand fighting with a Palestinian guerrilla force during a raid into southern Lebanon in which between 40 and 50 guerrillas were killed, according to Maj. Gen. Yehoshua Saguy, the Chief of Israeli Military Intelligence. The raid was launched on Monday night against four targets inside Lebanon and was "one of the largest we have made in the last three years," Gen. Saguy told a Press conference in Tel Aviv yesterday.

According to Israeli sources, groups were engaged in two hours of fighting with the Palestinians, who Gen. Saguy said had been expecting an Israeli attack for some weeks. Asked if he thought the strength of the resistance indicated an improvement in the fighting ability of the Palestinians, Gen. Saguy said, "If a person has his back against the wall, you expect him to fight for his life."

The targets were Palestinian command posts, logistics and operations bases in the Armon Plateau area, just north of the Litani River and some 10 kilometres from the Israeli border. General Saguy said that 17 artillery pieces and some mortars were destroyed by the Israeli forces in their attack on Palestinian bases at Armon, Hama-Armon, Tibnit, and Mazra'at Ali Tahar. Buildings and bunkers used by the guerrillas were also destroyed. Israeli troops marched for five hours to reach their targets, and after the fighting, in which 12 Israeli soldiers were injured, they were withdrawn by helicopters.

Our Beirut correspondent adds: Beirut Radio reported yesterday that the raid began at 10.15 pm and that a vacant United Nations observation post near Beaufort Castle was completely wrecked. It said dozens of houses were destroyed in the market town of Nabatiyeh and in Tibnit. A UN spokesman said that the raiding party, backed by the forces of the renegade Lebanese army commander, Major Saad Haddad, had fired some 1,700 artillery, mortar and tank rounds in the course of the night.

## Palestine leaders' appeal rejected

By David Lennon

THE ISRAELI High Court yesterday rejected an appeal by three prominent Palestinian leaders against their deportation from the occupied West Bank in May, following an ambush in Hebron in which six Israeli settlers were killed. At the same time, the Bench faulted the Israeli authorities for "grave irregularities" in failing to give the men, Mayor Fahd Kawasbeh of Hebron, Mayor Mohammed Wilhem of Balhoul, and the Hebron Qadi, Sheikh Rajab Tamini, a chance to appeal against the expulsion orders. The three had been taken from their homes early on May 3 and summarily deported.

One of the justices said the appeal should be upheld because the deportations were illegal, but the other two judges rejected it. The Bench ruled that the two mayors could appeal to the West Bank military Government's military review board, provided they gave a written undertaking to obey the military Government and disclaimed the anti-Israeli Press statement made in their name while abroad.

This opportunity would be granted to the mayors, the court said, because there was no evidence they had called for Israel's liquidation. But they denied the appeal process to Sheikh Tamini because, the court ruled, he had called for Israel's destruction during speeches in Hebron.

Meanwhile, Ecuador has apparently become the third Latin American country to decide to transfer its embassy from Jerusalem to Tel Aviv, in protest over the recent Israeli law proclaiming all of Jerusalem as the nation's capital.

"Open advocacy of 'Two Chinas' constitutes interference in China's internal affairs."

## Peking attacks Reagan over 'Two Chinas'

BY TONY WALKER IN PEKING

CHINA has launched a stinging attack against Mr. Ronald Reagan, the Republican candidate for U.S. President, on the eve of a visit to Peking by his running mate Mr. George Bush.

The People's Daily warned that any attempts to restore what it described as a "Two Chinas" policy—meaning any recognition of Taiwan—could destroy relations between Peking and Washington.

Mr. Reagan is reported to have said on several occasions he would like to restore some formal link with Taiwan. China has previously spoken out against this proposal. In June, the People's Daily editorial warned that such a move would run counter to the spirit of the joint communiqué establishing Sino-U.S. relations. [But in Tokyo yesterday, Mr. Bush said a Reagan Administration would not revive a "Two Chinas" policy, and asserted



Mr. George Bush (left) with Mr. Ronald Reagan before departing for China. Can he answer Peking's fears?

he would have no trouble convincing Peking officials of this. The People's Daily said in its attack: "Restoration of official relations with Taiwan today would in fact resuscitate the plot of creating two Chinas that has gone bankrupt long

ago. It is evident that this would in essence destroy the basic principle of the normalisation of China-U.S. relations." The tone of yesterday's People's Daily editorial is much stronger than the criticism in June. It is made more pointed

because of Mr. Bush's imminent arrival.

Mr. Bush is expected in Peking today for talks with Chinese officials. He will try to persuade his hosts that Mr. Reagan's proposals need not harm the Sino-U.S. relationship, but he is not expected to have an easy task.

The commentary, under the heading "Don't Miscalculate," accused Mr. Reagan of attempting to turn the clock back. "This cannot but arouse people's grave concern."

It was "known to all" that the establishment of official relations between China and the U.S. was based on the principle of U.S. recognition of the irrefutable fact that there is only one China, and Taiwan is its integral part, the paper said.

"Open advocacy of 'Two Chinas' constitutes interference in China's internal affairs."

## Australia plays safe with election-year Budget

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Government played it safe in an election year, and opted for a bland 1980-81 Budget. There were no increases in personal taxes or excise on items such as cigarettes, beer and wine.

Instead, the Government has again opted for a fairly tight Budget, which aims, as its major priority, at reining back on the inflation rate.

Details have already been extensively leaked. The budget aims for growth in non-farm product in 1980-81 of 3.5 per cent, and 3 per cent in gross domestic product, compared with 2.25 per cent in 1979-80.

The inflation rate, as measured by the consumer price index, is assumed to be fairly static at about 10 per cent. Yet the Government is aiming for a growth in money supply of only 9.11 per cent, which implies a fairly tight rein over

liquidity, possibly even a credit squeeze.

The banks are already under pressure because of clamps on new lending, which have been in force for some time. It appears, therefore, that the Government is looking towards private capital inflow of about A\$1bn to fill the leeway.

As forecast, the Budget assumes a domestic surplus of A\$39m, the first since 1973-74, and an overall deficit of A\$1.5bn, compared with A\$2bn in 1979-80. The Government is relying almost entirely on monetary policy to keep the economy in check.

The Government expects strong demands on the capital market in 1980-81, both from the private sector and semi-government authorities seeking funds to lay the base for the hoped-for development boom of the 1980s.

## Explosion kills 80 in S. Iran

Eighty people were killed and 45 injured when a warehouse exploded in southern Iran on Monday night, Iranian state radio stated. Reuter reports from Tehran.

Reuter quoted the radio as saying the blast occurred after a fire in a neighbouring building spread to an explosives dump belonging to a road construction company in Gachsaran, a town on the border of the oil-producing area of Khuzestan.

Khuzestan has been the scene of frequent sabotage by Iranian Arabs seeking autonomy.

## Tekere freed on bail

MR. EDGAR TEKERE, the Zimbabwe Minister charged with murdering a white farmer, was released on bail of Z\$50,000 (£80,000) yesterday after Mr. Robert Mugabe, the Prime Minister, pledged to ensure that his Minister would not avoid trial, Reuter reports from Salisbury.

Mr. Christopher Glavin, acting Attorney General, told the High Court he had no objection to bail because Mr. Mugabe had "given a verbal undertaking to see to it that Minister Tekere does stand trial."

## Vanuatu arrests

Papua New Guinea troops yesterday rounded up 50 people, most of them foreigners, on the island of Espiritu Santo, Reuter reports.

An official of the Vanuatu Government said the arrests were made during looting on Monday night and early yesterday, at a cordon of roadblocks around Santo's main town of Luganville and when a patrol boat stopped and took five vessels into custody. The 150 troops, only arrived on the island yesterday.

## S. Korea clampdown

SOUTH KOREA'S military-backed government yesterday ordered the closure of 617 publishing houses as part of an official "purification" campaign led by the army leader Gen. Chun Doo-Hwan, Reuter reports from Seoul.

Meanwhile, 14 members of the South Korean National Assembly, detained last month on charges of corruption, will resign their Parliamentary posts, the Martial Law Command said yesterday. Six of them, including four former Cabinet Ministers under the late President Park Chung-hee, are from Mr. Park's Democratic Republican Party.

## India cholera deaths

At least 275 people have died in a cholera epidemic spread by devastating floods in the North Indian state of Uttar Pradesh, the Press Trust of India said yesterday. Reuter reports from New Delhi. The floods have already killed 598 people in landslides, house collapses and drownings, the agency added.

In neighbouring Bangladesh, more than 100,000 people were marooned on high ground and the death toll stood at 34 in the country's worst flooding since 1974, newspapers in Dacca said.

## THE PHILIPPINES IN RECESSION

# After the earthquake

BY PHILIP BOWRING

THE PHILIPPINES is used to earthquakes and their after-effects—tidal waves. The earthquake causes most alarm, but the wave causes most damage and loss of life.

In the past months, the Philippines has been feeling the shocks of successive oil price increases on its balance of payments, its inflation rate and the real incomes of many people. That has been a visible, tangible issue to which the country has faced up.

The immediate shock has been largely absorbed, but the recessionary wave is still building up. True, energy price rises have been passed on to consumers, who have complained, but at least have had a visible external object on which to vent their frustration—the Organisation of Petroleum Exporting Countries.

Consumer price inflation has also now largely absorbed the oil shock. Prices in the first half of this year rose at an annual rate of 20 per cent, after an 18 per cent increase in 1979.

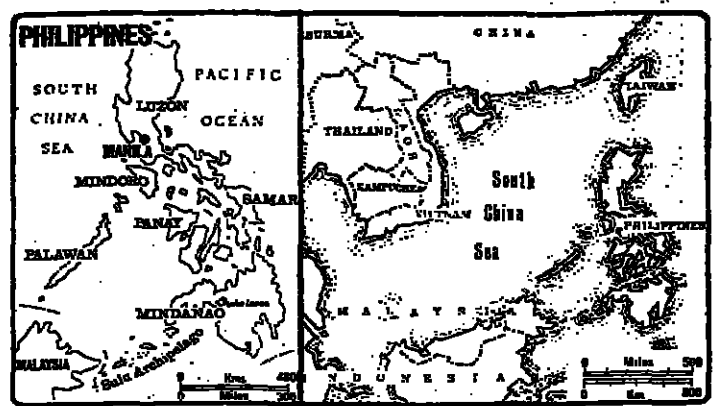
The rate of increases is beginning to fall sharply, as oil-related rises have now mostly flowed through. The rate for the whole year looks likely to be about 17 per cent, and by the end of the year the annualised rate could be closer to 10 per cent.

At government level, the shock has stirred efforts towards oil substitution through coal, hydro-electric power and geothermal energy.

The Government has also absorbed the shock to its projections of current-account deficit. It accepted earlier than most non-oil developing countries that bigger deficits were inevitable, and by the end of last year had lined up SDR 410m (£41m) in International Monetary Fund standby credit under the Supplementary Financing Facility, and was near the head

of the queue for World Bank loans aimed at plugging the balance of payments gaps. The semi-permanent imbalance imposed by the oil cartel, and the huge bite it has taken out of the Philippines' income, suggest the nation will have to rely increasingly on agriculture to maintain growth and employment. Otherwise, it may

close enough to the forecast. But gross national product growth is now likely to be substantially lower—probably below 5 per cent, perhaps less—if the buoyant agriculture sector is hit by bad weather. The outlook into the first half of 1981 is, if anything, gloomier, as export markets are unlikely to see early recovery.



cripple itself with an even heavier debt load than the present \$8.5bn net (equal to 27 per cent of gross national product).

Although the sharp shocks may be over, both President Ferdinand Marcos and Mr. G. S. Licas, the central bank governor, have recently referred in gloomy terms to the difficulties ahead. President Marcos urged Filipinos not to be "frightened."

When the International Monetary Fund standby was agreed late last year, it was estimated that the Philippines' current account deficit in 1980 would be about \$2bn, compared with \$1.6bn in 1978. The deficit would help sustain gross national product growth at least equal to last year's 5.5 per cent.

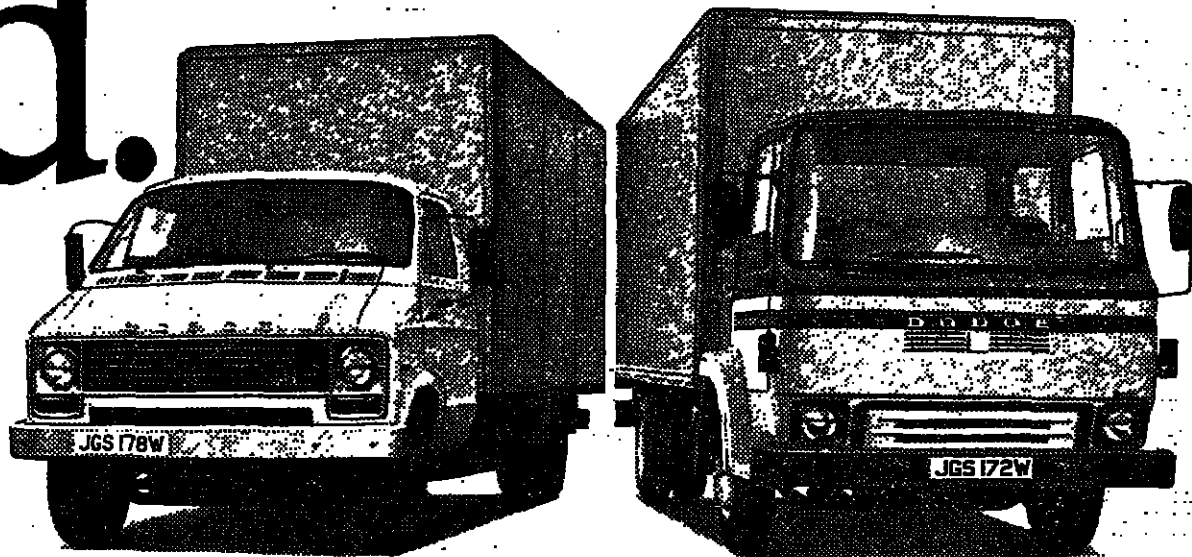
The way things look now, the current account should be

As in 1974, last year's oil shock was followed by a brief commodity boom. Last year, despite oil, the Philippines' terms of trade rose by 4 per cent—although that still left them a crushing 20 per cent below 1972 levels.

Manufacturing output rose by only 4 per cent last year, despite a sharp rise in manufactured exports, and this year is likely to be even worse, with exports again the only bright spot.

Agriculture, however, grew by 6 per cent in both 1978 and 1979, and should show similar strength this year. The Philippines is now a significant exporter of rice and is self-sufficient in corn. This is the one big difference between now and the last oil price recession. Then, foreign debts were small. Now, it may be scrapping for dollars. But at least the granaries are full.

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Bank of Rome	16 %	Norwich General Trust	16 %
Bank of San Francisco	16 %	P. S. Refson & Co.	16 %
Bank of South Africa	16 %	Rosminster	16 %
Bank of Sweden	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Bank of Switzerland	16 %	Schlesinger Limited	16 %
Bank of the Middle East	16 %	E. S. Schwab	16 %
Bank of the Pacific	16 %	Security Trust Co. Ltd.	16 %
Bank of the South Sea	16 %	Standard Chartered	16 %
Bank of the West	16 %	Trade Dev. Bank	16 %
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# Joint chief executive of Unigate resigns

BY CHRISTINE MOIR

MR. JOHN READ has left Unigate after five years in which he and Mr. John Clement, the chairman and joint chief executive, worked closely together to develop the company's new structure and image.

The parting is said to have been entirely amicable. Mr. Read said yesterday that he had resigned as joint chief executive because "it was not good for the company that the two of us should grow old together."

Mr. Clement is 48 and Mr. Read is 45. Following the announcement of Mr. Read's resignation, Unigate shares fell 6p to 118p. "It was time for me to go," Mr. Read said. "I should be able to say in a few weeks what

I am going to do but not at the moment."

He denied, however, that his future plans included more involvement at either Metal Box or Equity and Law, at both of which he is a non-executive director.

Nor will he be going back to professional accounting. Mr. Read joined Unigate in 1973 as finance director from a partnership at Price Waterhouse. "I am not going back," he said.

Mr. Clement and Mr. Read have been seen as a strong duo at Unigate, masterminding the development into meat products, the U.S. and transport as a diversification from the strong cash generating business of liquid milk.

Pre-tax profits have been

moving sharply ahead throughout the period of their joint leadership to a peak of £51.4m last year, compared with £23m in 1975.

But it has been the building up of large cash reserves which has more recently attracted the market. Last year the company sold its creameries to the Milk Marketing Board for £87m.

Since then investments and cash reserves have continued to rise. One attempted acquisition, of Clifford Dairies, was called off amid recriminations and criticism.

Mr. Read denied that any difference of opinion had developed between him and Mr. Clement over the company's philosophy.

## Caledonian seeks licence for Middle East

By Michael Donne, Aerospace Correspondent

BRITISH Caledonian Airways wants to fly four times a week between Gatwick and the Middle East, as part of its new service to Hong Kong.

The airline told the Civil Aviation Authority in London yesterday that Gatwick was isolated from the Middle East Gulf area—a major destination for passengers and cargo shippers with links in the south of England, the area Gatwick serves.

"It is in the interest of the public and British Caledonian that it be able to build its frequencies on the Hong Kong route to a daily service. Without the traffic support of the Gulf, that could not be achieved in the foreseeable future," the airline said.

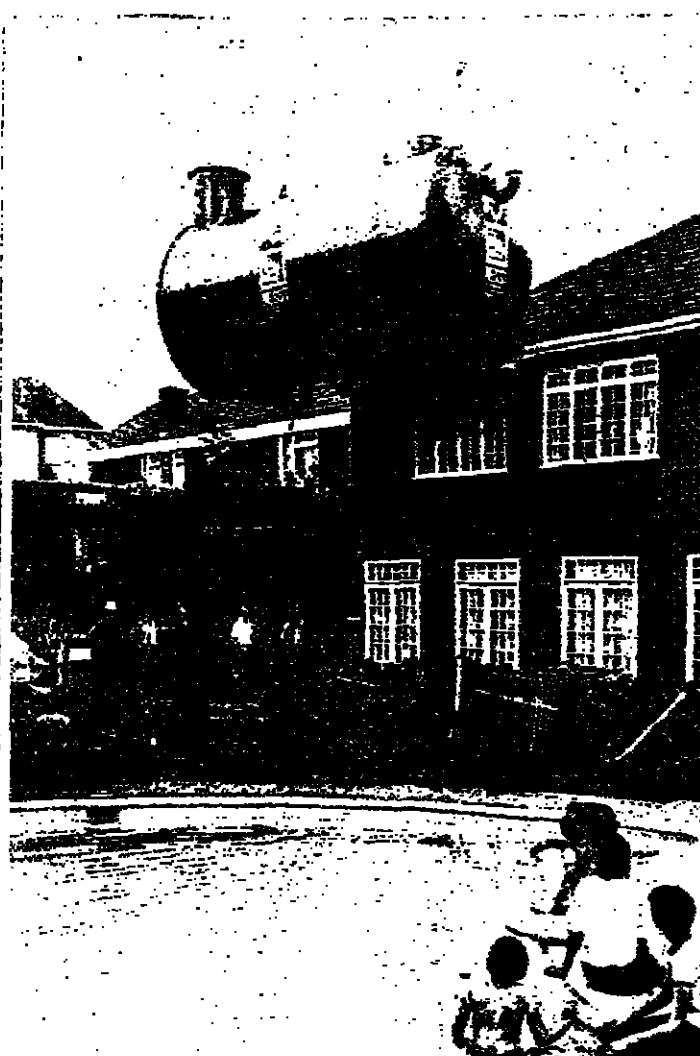
● FARE REQUEST: British Airways has asked the Civil Aviation Authority for approval to cut up to £29 off the normal economy-class Shuttle return fare for selected flights between London (Heathrow) and Glasgow-Edinburgh this winter.

The normal rate is £94 return, and BA wants to offer a return fare of £65 on the last Shuttle flight of the day between November 1 and March 31. The airline is seeking cuts in some excursion fares.

● WESTWARD CLASH: The board of Westward Television, led by new chairman Lord Harris of Greenwich, yesterday decided to challenge writs issued by deposed chairman Mr. Peter Cadbury seeking declarations that an extraordinary shareholders meeting called for October 17 is invalid; that Mr. Cadbury's own summoning of a meeting for September 10 is valid; and that the board's insistence that he should not use his own voting shares to regain the Westward chair is also invalid.

● WEEDKILLER TALKS: Mr. Peter Walker, Minister of Agriculture, yesterday met Government experts and trades union representatives to discuss the controversial herbicide 245-T which members of the National Union of Agricultural and Allied Workers want banned despite assurances from the Pesticides Advisory Committee. A report is expected to be published by the Government in the autumn.

● PACIFIC PRAISE: Mr. Con Aitken, chairman of Pacific Nuclear Transport, yesterday praised Swan Hunter, part of British Shipbuilders, for delivering the 3,000 tonnes nuclear carrier Pacific Crane six weeks ahead of schedule, and added that a "keen" quotation might win a repeat order.



SAFE HOUSE: Britain's first domestic nuclear shelter is lowered into the back garden of Mr. Lionel Millet's house in Totteridge. A mobile crane was called in to deliver the Nuclear Emergency Survival System, which cost Mr. Millet and his wife Phyllis £10,000. Designed in Switzerland and built in Britain, it is capable of keeping 12 people alive for four weeks after a nuclear, chemical or biological attack.

## Philips to close audio factory

BY ELAINE WILLIAMS

PHILIPS INDUSTRIES' only audio-goods factory in the UK is to close in November with the loss of 390 jobs.

The King's Lynn factory makes music centres and cabinets for the audio and television industries. It is being closed because of a fall in demand for music-centres and a static market for television sets, the company said yesterday.

Workers at the factory have been on a three-day week since May. Philips has lost £5m on products made there in the past five years. Because there was no hope of recovery, Philips decided to import music-centres from its main plant in Belgium.

More than half the companies in the UK audio industry are now on short-time. This is because of a sudden fall in demand for music-centres, audio systems in which radio, tape circuit and record-deck are contained in one unit. This coincided with increasing import penetration from the Far East.

The British Radio Equipment Manufacturers' Association said yesterday that the music-centre market had stagnated. Sales this year were expected to be at or below last year's level of 985,000 units.

Imports in the first quarter of 1980 comprised 75 per cent of total UK deliveries compared with 57 per cent last year.

British manufacturers have been hard hit by high interest rates, falling consumer demand, and the strong pound which made exporting difficult, the association said yesterday.

It called for Government help, for protection, including voluntary import quotas, to help the industry survive.

Thorn-EMI, Britain's biggest manufacturer of consumer electronic products, last month announced closure of its Chigwell factory, with the loss of 230 jobs and 700 of the company's other workers are on short time.

Grundig is closing its Belfast factory cutting 1,000 jobs because of Far Eastern competition. The Rank Organisation recently announced plans to end manufacture of music-centres in the UK at the end of the year.

Other companies, such as IFT and Fidelity, have found the market increasingly difficult.

The industry's problems are also due to a swing away from music-centres in favour of products made up of separate units which can be mounted vertically in cabinets.

## Coal demand to dip by 5m tonnes

BY RAY DAFTER, ENERGY EDITOR

THE DEMAND for coal is expected to fall by about 5m tonnes, to 120m tonnes, this year, according to Sir Derek Ezra, chairman of the National Coal Board.

The Board had been hit by short-term market problems arising from the general fall in energy demand, he said. But it was important that the coal industry's "excellent" long-term prospects should not be jeopardised.

Last year had seen a turnaround in the industry's fortunes. He told miners at Thoresby Colliery, near Mansfield, the Board could continue to build on the success of 1979, when output was up 4m tonnes, coalface productivity was at a record level, and attendance had greatly improved.

It was important not to lose that momentum. "The fact that energy demand is going to be temporarily reduced is no reason



why we should be put off our long-term strategy," he said. While other industries were working short time, the coal in-

dustry was maintaining high employment, without short-time working or many redundancies.

The Coal Board was also helping to relieve unemployment among school leavers. Sir Derek said: In the 14 north Nottinghamshire area pits, for example, 450 juveniles had already been recruited this year. Manpower had risen by 213 to 18,693. These increases were in addition to the 577 new jobs created last year.

North Nottinghamshire, he said, was showing an excellent return on capital investment which, since 1974, had been running at £50m a year. Output was well up on last year and productivity was about 5 per cent higher.

But he warned that future demand would be determined by the British coal industry's ability to compete with other world producers. Imported coal — not oil — presented the most serious competition.

## Publicans to seek rent freeze

By Gareth Griffiths

BREWING companies faced with the prospect of falling beer sales and reduced production, are to be asked to freeze the rents on their tied public houses.

The call for a rent freeze, covering up to 36,000 tenanted public houses, is likely to be made at the next meeting of the National Union of Licensed Victuallers and the Brewers Society in September.

The Union will argue that increases are not justified at a time when beer sales are falling with the prospect of a poor winter ahead.

Publicans' groups in Manchester, Salford and Somerset have called for rent freezes during the past week. The publicans say that most tenants are faced with rent rises of more than £1,000 per year. No national average figure for rents is available. Assessments by the brewers are generally for three years and a catch up element is included.

The brewers are sceptical over the possibility that publicans might take any action to withhold rents. Competition in the pubs is increasing and, in a declining market, loss of business could lead to the closure of some pubs.

## Mixed July for unit trusts

By Tim Dickson

UNIT trusts in July had another mixed month for new business. Excluding June, which was disrupted by exceptional factors, total sales of new units last month were the highest this year at £43.3m—but repurchases (units cashed in) of £42.4m were also a record for 1980 leaving net new investment of only £850,000.

The latest figures confirm the now familiar trend of money taken in by unit trust management groups being largely offset by other investors cashing in their holdings. So far this year the industry has on three occasions seen more money leave its coffers than it has been able to attract.

Unit Trust Association (UTA) representatives yesterday attributed the high sales and repurchases figures to the increased activity in the equity market.

Cumulative figures also released by the UTA show that total sales in the first seven months of 1980 were £261m, against £265m and £335m in the same period of 1979 and 1978 respectively. The June, 1980 figure of £92.9m included £23.5m relating to two unitisations, i.e. turning investment trusts overnight into unit trusts.

Repurchases over the first seven months of this year totalled £240m.

## Perkins may accept fewer redundancies

FINANCIAL TIMES REPORTER

WORKERS at the Perkins diesel engine plant in Peterborough were told yesterday that the company is willing to accept fewer redundancies than it had previously announced.

Perkins, which employs 9,000 people, announced last week that it must shed 900 jobs because of declining orders. But, in factory notices yesterday, the company said that the redundancies could be reduced with the co-operation of the workforce.

The management said that, if the trade unions and company agreed on improving efficiency, the redundancy exercise would go ahead on a volunteers-only basis.

The downturn in the motor industry has forced the Hull-based car components and mining equipment maker, J. H. Fenner, to make 130 workers redundant. Both clerical and shopfloor workers are affected.

Almost half the work force of 110 employees, of Bonser Engineering of Giltbrook, Nottinghamshire, makers of forklift and dumper trucks, are to lose their jobs because of a sharp fall in home demand. Two other subsidiaries in the Nottingham area are to make another 90 workers redundant.

A further 90 jobs are to be lost at GEC Machines factory in Newcastle under Lyme, North Staffordshire, where 50 people

were made redundant last month. About 500 workers out of a total of 720 are already on short-time work, and the company has announced its intention to extend short-time working even further.

Robey, Lincoln maker of boilers and mining machinery, is cutting 700 jobs. Last year it made 100 redundancies.

Dickinson Robinson, the stationery and packaging group, is closing its Hertfordshire based stapling machine factory with the loss of about 30 jobs. It has already announced jobs cuts totalling 650 at its stationery subsidiary John Dickinson because of a business downturn.

More than 3,000 workers at the plastic foam manufacturer Stora Brothers, which has plants in Lancaster and Bramham, Suffolk, are to be put on short-time working, due to a lack of orders.

James McDonald writes: Lack of opportunity, language difficulties and economic hardship seems to have trapped the Bengali community in London's East End in a "classic cycle of deprivation," says a report on the employment and training needs of the Bengali community, published today.

"Employment and Training Needs of the Bengali Community in Tower Hamlets," Commission for Racial Equality, 10 Allington Street, London SW1.

## Employment suggestion

BY JAMES McDONALD

EMPLOYMENT SUGGESTED Greater activity in the small companies sector would create more employment, while new investment in improved technology in many major industries often tended to reduce employment, Mr. Tom King, Minister for Local Government and Environmental Services, said in Taunton yesterday.

"This is why the Government has been exploring every avenue to see what help and stimulus can be given to this sector and how existing burdens can be reduced," he told a conference organised by West Somerset's Small Industries' Group.

"In the Department of Environment's sphere we have

looked very critically at the influence of the planning system on small businesses and are making a number of changes which should help.

A proposed development control circular which we hope to issue shortly will stress the importance of not refusing planning permission for small scale commercial and industrial activities unless there are strong and specific reasons.

"Other benefits which the Local Government Planning and Land Bill introduces are the possibility for small firms to pay rates by instalments and the extension of a proportion of domestic rate relief to many more mixed commercial and domestic properties."

## Heat pumps factory plan

By Maurice Samuelson

A FACTORY capable of manufacturing 1,000 heat pumps a year is being built at Witham, Essex, in an attempt to meet the demand for more efficient heating systems.

The plant, to be built by Trace Cleveland, the heating engineers, will cost an estimated £130,000 and will employ 70 people when completed early next year.

It will produce electrically-powered heat pumps designed for factories and commercial premises. The pump's basic principle is the same as a refrigerator, in which a compressor transfers heat from one part of a coil to another.

## English China Clays pits its wits

Unemployment: Elaine Williams looks at a Cornish town's reaction to the recession

CYRIL HANCOCK, a superintendent at the Goonbarrow clay-pit at St Austell, Cornwall, is to retire next month, more than a year earlier than he had planned.

His decision to take advantage of English China Clays' voluntary retirement scheme will save a younger man from redundancy, as the world-wide recession hits the china clay industry.

English China Clays' workforce of 7,000 comprises 25 per cent of the town's total population, so that nearly the whole community is dependent on the company.

Up to 300 workers are expected to opt for early retirement to save others from the dole. The company wants to avoid repetition of its experience during the slump in 1971. Then, many good young workers moved from the area after being made redundant on the last day of their first job.

Both company and unions want to save the jobs of younger people whose experience will be needed.

The company has always tried to look after the wider interests of its employees, for example

by helping to finance the town's leisure centre and supporting many local causes.

It is therefore particularly unhappy now that it must cut jobs because maintenance of a good relationship with the workforce has always been one of its priorities.

English China Clays' problems stem from a recession in the paper industry. This caused a fall in demand for its products. To remain competitive the company increased the level of automation in clay-extraction, so that fewer workers are needed at its pits.

Mr. St. Austell's dependence on the company, in spite of the decline, has saved the town from the worst effects of the recession. It has one of the lowest unemployment rates in Cornwall, 7 per cent compared with 9.5 per cent for the county.

Before Mr. Hancock leaves he will be invited to attend the company's 43-day pre-retirement course intended to bridge the gap between work and retirement.

After he leaves the company, its welfare department is likely to keep in contact, and to invite him to social functions run by the company, such as the annual pensioners' picnic.

While older workers are being given early retirement, Sir Alan Dalton, the company's deputy chairman, believes it important to continue recruitment of school-leavers, although at a reduced level.

Last October, the company stopped recruiting workers in expectation of a drop in demand for clay. However, 70 apprentices instead of the usual annual intake of 180 were offered jobs.

In general, opportunities for school-leavers in St. Austell are bleak, even for seasonal jobs offered by the tourist industry. School-children tend to stay at home longer than the normal leaving age and after leaving many have only the Youth Opportunity Programme to occupy them after six weeks on the dole.

Mr. Kenneth Barker, careers

adviser at County Hall, Truro, said the number of applicants for the opportunities programme is expected to increase by between 20 and 25 per cent this year.

The total of 1,464 people unemployed in the town is 12.4 per cent more than the total last year. This number may be swelled by almost-certain redundancies at John Williams, part of the building division of English China Clays.

St. Austell has to face the fact that in order to remain competitive English China Clays needs to invest in machinery to increase automation of clay-extraction and processing. This means, ultimately, that there will be fewer job opportunities or, at least, no more than needed today.

All decisions relating to the company's future were taken with the unions' full support. Since the mid-1960s, after a particularly unpleasant confrontation, both sides tried to foster good industrial relations.

By and large this has been successful. Unions realised that without the company "the grass would very soon grow over St. Austell."

## Fewer fatal accidents in industry

BY ALAN PIKE

THE FIRST five years of the Health and Safety at Work Act have seen a "widespread and substantial reduction" in fatal accidents at work, accompanied by a less marked decline in overall accident rates, the Health and Safety Commission reported yesterday.

Fatal accidents in areas for which figures have been available throughout the period have gone down from 651 in 1974 to 544 in 1979—although last year's figure was higher than the 1978 level of 499. The total number of accidents at work last year, around 319,000, was the lowest in the decade.

Despite the increase in deaths last year, the commission cautiously concludes that "the run of the annual figures strongly suggests a continued falling trend."

The public, parliamentary and governmental pressure which led to the 1974 Act, says the report, signified a widespread recognition that it was possible and desirable to make a sustained attack on damage to the nation from death, injury and disease at work.

"We have been stimulating the organisation of such an attack. But it must remain the responsibility of all those concerned with health and safety at the workplace to seek to avert deaths or injuries, by putting an end to unsafe and

unhealthy practices," the commission says. A comparison of the figures for 1975-79 with those related to the five years before the Act came into force, says the report, shows that the fatal accident rate fell by nearly a quarter in construction, and a quarter in manufacturing industry. There were also substantial reductions—although less marked—in coalmining and agriculture.

In his report, Mr. John Locke, director general of the Health and Safety Executive which is responsible to the commission, says that one of the service's hardest tasks is balancing the resources put into the three main kinds of problem

—risk of immediate accidents; risk of permanent damage to health caused by exposure to chemicals, noise or radiation; and risk of major catastrophes which could injure or kill large numbers of people.

The work of the executive's Nuclear Installation Inspectorate, says Mr. Locke, has provided a strong base for analysing and handling risks in the major catastrophe category. Over the past few years, the executive had developed its capacity to deal with major fires and explosions and the release of toxic chemicals.

Health and Safety Commission Report 1979-80, HMSO £2.25



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## Plan for Scottish exhibition centre

By RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Development Agency is studying the possibility of building a £25m national exhibition centre for Scotland.

After looking in detail at the English national centre, the agency believes it can avoid some of the financial and other mistakes which have dogged the complex near Birmingham and have discouraged some exhibitors from using it.

The Scottish centre, if the agency decides to seek Government approval to go ahead, will not have to bear the burden of its initial construction costs. These would be met by the agency and from other public sources.

After that, the centre would be independently managed and expected to cover its running expenses.

It would not be as isolated as the Birmingham centre, which is several miles from the city. From 50 possible sites, the agency has selected as most suitable an area of Glasgow dockland which already has railway and motorway links and is within a short taxi journey of the city centre and hotels.

Glasgow already has a major exhibition centre, the Kelvin Hall, which attracts many national shows. But the building

is old and too small for the type of international trade and industrial events that the agency would want to attract.

Mr. Lewis Robertson, chief executive, said yesterday that studies of costs, revenues and funding could be completed by early next year when the agency would make a formal submission to the Government.

The centre would initially be a quarter of the size of the Birmingham complex, with 250,000 sq ft of covered exhibition space. Land would be available to double that area.

There could be 1,500 permanent jobs with a further 700 available during the two-year construction period.

Mr. Robertson said: "Our main concern is to contribute to industrial development and to strengthen the marketing of Scottish products and services through modern exhibition facilities."

"To make a centre commercially viable it will have to get maximum operation revenue through intense use from available space."

"A multi-purpose centre would accommodate trade and industrial exhibitions, public consumer exhibitions, entertainment and sporting events which are all essential revenue earners."

## Conference spending increases

By Maurice Samuelson

Spending on conferences in the UK reached a record total of more than £500m last year. Of this, some £300m was retained by the economies of the conference towns.

However, many towns and cities still do not recognise the benefits which the conference business can bring, says a study of the conference market carried out by RPA Management, the tourism industry consultancy.

Of the £500m believed to have been spent last year, London took £150m and provincial centres £260m.

The report is based on earnings of nine conference towns which last year totalled some £65m, a 19 per cent increase on 1978.

They are headed by Brighton which is estimated to have earned £11.5m from conference business, partly as a result of its new facilities and increased capacity.

The other towns are, in order of revenue share: Harrogate, Sheffield, Blackpool and Cardiff, Bournemouth, Eastbourne, Scarborough, Torbay.

Survey of Conference Business to Major Conference Towns, 1979, published by RPA Management, Russell Chambers, Covent Garden, London WC2 8AA; price £20.

## News that tears a town's hope to shreds

ELLESMERE PORT lies just outside the official boundaries of Merseyside but with yesterday's announcement by Bowater that it will be closing its newsprint plant there at a cost of 1,600 jobs, the town looks like being firmly united with that county in the misery of unemployment.

Bowater represents one of the main employers of male labour in Ellesmere Port and its closure follows two other blows to the local economy in recent months.

Earlier this year when the British Steel Corporation closed its Shotton works in nearby North Wales, some 700 men living in Ellesmere Port were

among the 6,000 made redundant. And the 1,000 jobs which it had been hoped would be created at the proposed GEC-Fairchild micro-electronics plant at Neston have fallen away with the venture scrapped.

Instead a much smaller number of jobs will be created making the Stingray missile in the already completed factory.

Though there are no separate figures for Ellesmere Port, unemployment in the Birkenhead travel to work area, of which it is a part, is already a massive 14 per cent. Further jobs are certain to be lost too in companies that supply Bowater, and the ramifications will be felt in fragile rural areas where

timber for the mill is grown. Some 80 per cent of the timber used by Bowater at the mill—in the region of 250,000 tonnes a year—is from Forestry Commission woods in Wales, the North West and Scotland, with the rest coming from private suppliers.

The town has a population of 85,000. Over the past 10 to 15 years it has attracted substantial investment, but much of this has been in expanding the major oil refinery complex at Stanlow where both Shell and Burmah have operations.

Relatively few new jobs have been created, and most of the expenditure now being undertaken by the multinational oil

and chemical companies in the town is aimed at improving efficiency and reducing labour costs.

The biggest single employer in the area is Vauxhall, attracted in the late 1960s at a time when surplus labour was being released from the Mersey docks at Liverpool and Birkenhead.

The Vauxhall plant at Ellesmere Port produces General Motors' Chevette world car but doubts have been raised over its future on a number of occasions.

With the UK car market in a slump and domestic manufacturers under pressure from

imports, all 10,000 employees at Ellesmere Port are being put on short time, possibly until Christmas.

Against this background the local authority is likely to make further representations to the Government to reconsider Bowater's application for aid. Mr. R. J. Bernie, the town clerk, points out that alternative opportunities in a wide area around the borough are few.

In neighbouring Deeside the closure of Shotton has resulted in unemployment rising to its current figure of 16.2 per cent, in Liverpool it is 14.7 per cent, in Chester 9.7 per cent, in Wrexham 14.3 per cent and in Widnes 13.2 per cent.

## Rhys David (above) and William Hall (below) examine the Bowater decision Mill closure will halve domestic newsprint capacity

BOWATER'S decision to close its Ellesmere Port mill, Britain's biggest newsprint mill, will mean a halving of the country's newsprint capacity.

Once the closure has been completed Bowater will have one newsprint machine plus one making paper towels as well as its Shotton mill in Kent. This has a capacity of 40,000 tonnes a year. The only other UK producer, Reed International, has three newsprint machines at two sites in Kent capable of producing 155,000 tonnes a year.

Both Reed and Bowater have

been losing money for several years on newsprint production and Reed's chairman, Sir Alex Jarratt, said last month that the future of his company's newsprint operations "was the subject of deep and active study."

The closure of Ellesmere Port will mean that Britain's annual domestic newsprint capacity will have been reduced to less than 200,000 tonnes, which is about 14 per cent of the total UK consumption of 1.4m tonnes.

Britain is the third biggest consumer of newsprint in the world after the U.S. and Japan. Japan is virtually self-sufficient

in newsprint and the U.S. imports about two thirds of its annual consumption of 10m tonnes. Among the European countries in particular, Britain now has by far the smallest domestic newsprint industry given the size of the domestic market.

Over the past 15 years, the UK newsprint industry has been exposed to the full force of international competition from Scandinavia and Canada, and has been contracting. In 1965 UK production peaked at 780,000 tonnes, which was a third more than imports.

Until 1970 there were five UK producers supplying over half the UK market but by 1973 only Bowater and Reed remained and they were producing considerably less than in the 1960s. Many newsprint machines were converted to produce other sorts of paper.

Over the past five years UK production has stabilised at just over 300,000 tonnes a year and last year the two UK producers were running at maximum capacity. However, they were still not making any money. Bowater had long been lobbying the Government

for help. The key problem is that newsprint prices are now lower than they were in 1977 although UK inflation has risen by 50 per cent over the period. The strength of sterling has prevented UK prices rising, UK producers are also having to pay substantially more than their Scandinavian and Canadian competitors for wood and energy.

Ironically, much of the timber which was used at Ellesmere Port will now be exported to Scandinavia where it will be used to make paper.

## A very personal country hotel

HOPE END, a couple of miles outside and a couple of hundred feet above Ledbury, is where England begins to peter out. A few miles to the west, Wales begins. These are the Marches, those parts of England that all good Welshmen, like myself, believe were once stolen from the Principality.

Hope End Country House Hotel stands in 40 acres of this Herefordshire countryside. Mrs. Patricia Hegarty, who runs Hope End with her husband John, says that her family have lived in the county for 500 years, which should just about take them back to the time it was Welsh.

She comes from good yeoman stock. Great grandfather Stephen built the canal and brought the railway to the town, but it was her grandfather who bought Hope End, which means "house at the end of the hidden valley."

There is no house there now, the building which was once the home of Elizabeth Barrett for 23 years before she became Elizabeth Barrett Browning, having long since been demolished. But the stables have become the present country house hotel, a "transmogrification."



By Anthony Moreton

tion it took the Hegartys five years to achieve.

Both have definite ideas on the sort of hotel they are trying to achieve. Says Mr. Hegarty: "The old country house used to be part of a community and its skills and we are attempting to take its place."

"In many ways, we provide a life of 70 or more years ago. Such a concept is common in France even today, but it is rarely found in England."

"We aim to cater for a clientele who want something small and personal. There is no television, no wireless and the only phone is in the hall. After dinner, guests return to the sitting room and you'd be surprised how quickly the conversation rattles along."

Neither knew much about the hotel business when they opened the doors three years ago. Mrs. Hegarty trained as a teacher and her husband spent 20 years as a solicitor, much of it with big companies in the City or Australia and New Zealand.

She had been left the property by her father, and Mr. Hegarty had the vision to see how it could be converted, having dabbled in house conversions when he lived in London. Their aim was to create a top-class, small country house hotel. Hope End has just seven bedrooms—set in its own grounds and providing most of its own food.

There is an acre-large walled garden which provides all the soft fruit that the hotel needs, and as much of the other vegetables as they can grow and the attendant rabbits do not first eat. Goats provide milk, and Mrs. Hegarty does all the cooking, using natural foods. What food they do not produce themselves is bought from local sources.

"We are very lucky here in

that we have some of the best food in England. We have probably the best beef, superb cheeses (Blue Cheshire and Single Gloucester were on the table during my visit), milk from Jersey cattle and the most marvellous eggs you can imagine. None of your pale, broiler-produced yolks. And I bake all my own bread."

The Hegarty's don't con-

"In many ways, we provide a life of 70 or more years ago. Such a concept is common in France even today, but it is rarely found in England."

sciously set out to provide, or cater for, wholefood buffets, but by its very nature, food which has been grown on organic, chemical-free ground has a better taste than the mass-produced, shrink-wrapped chemical-saturated supermarket fare. It is this food they serve.

Even in the three years it has been open, Hope End has undergone changes. The original intention was that visitors should cater for themselves. Then Mrs. Hegarty started providing evening meals for a few of the guests. She reasoned that, if they were catering for two or four, she might as well do it for 14 since this would bring them into much more contact with the guests.

This year, they abandoned the concept of self-catering and added dinner along with breakfast. Since July, they have been providing it for a few non-residents.

They could not have made the switch at a worse time. The hotel industry has taken a buffering this year and, after a good May, June and July turned sour on them, although they expect things to pick up in September.

"It is not at all easy to start a new business today," Mrs. Hegarty says. "It is all very well for Mrs. Margaret Thatcher

"It is all very well for Mrs. Margaret Thatcher to put a squeeze on, but she is stifling business. . . Sometimes our leaders should try to see what it is like working under such conditions."

to put a squeeze on, but she is stifling business. People are having to hang on. If you are starting something new, it is a very great struggle."

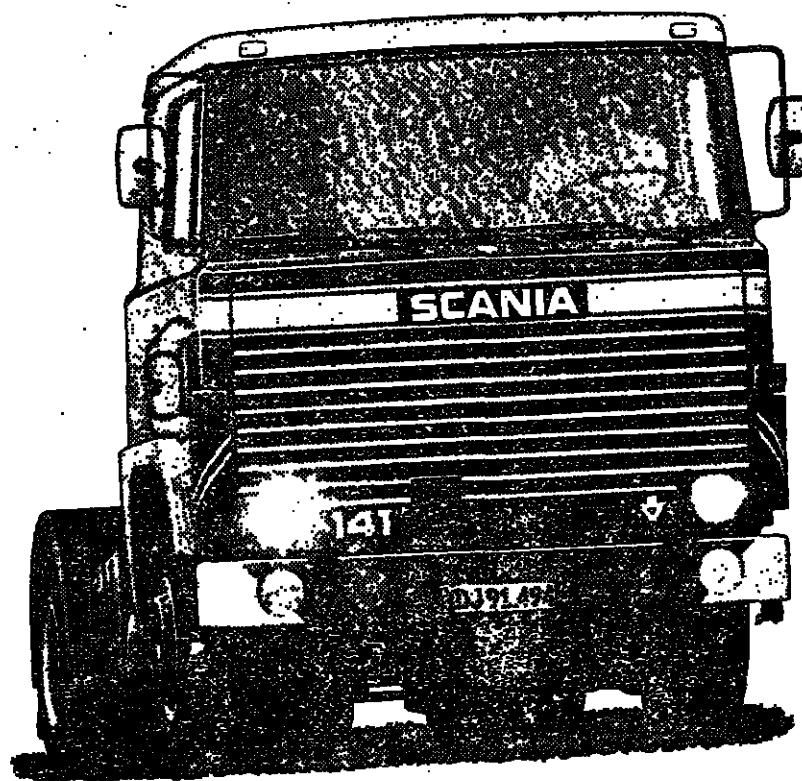
"I spend far too much time keeping the bank manager sweet, doing VAT returns and all those other things that just have to be done. We calculated our figures on 10 per cent cost increases, and they are going ahead at 20 per cent. Sometimes our leaders should try to see what it is like working under such constraints."

Tomorrow: Bookworms in Cheltenham

## SAAB

More than just a car.

Few companies manufacture a product range to compare with SAAB-SCANIA of Sweden—aircraft, aerospace equipment, cars, trucks and process control equipment. This adds up to an awful lot of experience in engineering, design and technology. SAAB have used their know-how in producing one of the world's leading combat aircraft, the renowned Scania truck and a



### The Precision of an Aircraft

From the Viggen multi-role combat aircraft, SAAB know the importance of aerodynamic lines and of a control panel that must have everything in easy reach and sight of the pilot. This knowledge has been used to its utmost in the

### The Reliability of a Long-Distance Truck

Long-distance truck drivers need trucks that won't let them down. Trucks that are tough, safe and reliable and cabs that ensure safety and comfort. That's why their first choice is a SCANIA truck. The construction of SAAB cars incorporates EVERY ONE OF THESE QUALITIES.

### The Technology of Both

SAAB were the first to adapt turbo technology to a practical application for a family car. First to develop energy-absorbing bumpers. First with diagonally split braking. First with the filtered air system.

SAAB LEAD AND OTHERS FOLLOW.



SAAB (Gt. Britain) Ltd., Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Tel: Marlow (06284) 6977.

900 RANGE From:

GL 3-Door £4,480.00; GLS 3-Door £6,775.00; GLS 3-Door Power steering, £7,180.00; GLS 3-Door Power steering, sunroof, £7,430.00; GLS 3-Door Power steering, automatic, £7,430.00; GLS 3-Door Power steering, automatic, sunroof, £7,700.00; GLS 5-Door Manual, £4,895.00; GLS 5-Door Manual, sunroof, £7,340.00; GLS 5-Door Power steering, £7,300.00; GLS 5-Door Power steering, sunroof, £7,600.00; GLS 5-Door Power steering, automatic, £7,600.00; GLS 5-Door Power steering, automatic, sunroof, £7,990.00; EMS 3-Door Manual, fuel injection, £7,965.00; EMS 3-Door Sunroof, fuel injection, £8,315.00; GLE 5-Door Power steering, fuel injection, sunroof, £8,900.00; GLE 5-Door Power steering, automatic, fuel injection, £8,900.00; GLE 5-Door Power steering, automatic, fuel injection, sunroof, £9,200.00; Turbo 3-Door Power steering, 5-speed manual, fuel injection, £10,700.00; Turbo 3-Door Power steering, 5-speed manual, sunroof, fuel injection, £11,100.00.

Also available—99 RANGE From:

GL 2-Door Saloon Manual, £5,775.00; GL 4-Door Saloon Manual, £5,760.00; GL 4-Door Saloon Automatic, twin carb, £6,270.00; Turbo 3-Door Manual, fuel injection, £7,940.00.

All prices and specification correct at time of going to press.



# Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

## FARMING

### Automatic testing of milk

DAIRY farmers have something solid to show for the half per cent of their milk takings they contribute to the EEC's dairy levy. The Milk Marketing Board has installed an automatic batch milk tester at its Worcester laboratory whose design and manufacture was paid for through the levy.

The cost was around £100,000; the machine was designed and built by Cambridge Consultants, a technology based firm in the Cambridge "Science Park" which provides design and manufacturing services to industry.

The machine is designed to detect evidence of the disease brucellosis at the earliest stage. Up to 5,000 samples of milk a day are received at the laboratory from herds all over England and Wales. Samples are chosen for test and placed in the machine which automatically mixes the samples with a substance which will give a colour change if brucellosis

infection is present. The mixed samples are incubated for one hour at 37 degrees centigrade before inspection.

This is the only part of the test that remains with a human operator.

James Booth, director of the laboratory, explained that the test is highly subjective—the operator is looking for either a mere trace of brucellosis or up to four different grades of infection.

Built as a one-off, the machine will deal with all the sampling necessary for England and Wales (which is now 99 per cent brucellosis free). Cambridge Consultants believe the machine has considerable export potential. Experts from the Canadian Ministry of Agriculture are expected to examine it later this year.

Cambridge Consultants is on 0233 358855. The Milk Marketing Board Laboratory is on 0905 424940.

## MATERIALS

### Conveyor belt fabric

PRIMARILY INTENDED for demanding applications is a conveyor belt fabric called Tygator, woven from Kevlar fibre coated with PTFE, introduced by Fothergill and Harvey, Summit, Littleborough, Lancashire (0768 78821).

Conveyor belts produced from this material promise not to lose strength when wet, says the company, and have a number of benefits including low shrinkage and coefficient of thermal expansion, and flame and heat resistance superior to most organics.

The fibre does not melt—decomposition occurring at 420 degrees C—and has good resistance to most acids, alkalis, solvents, alcohols, greases and oils.

Considered to be the most important of these properties in relation to continuous processing systems is the water and flex resistance of PTFE-coated Kevlar conveyor belts which can best be exploited in drying oven applications.

In these areas the open mesh fabric belts are said to give good and even air circulation with the PTFE coating providing a low friction, easy release, chemical resistant surface that remains tough and flexible at temperatures from minus 150 to plus 260 degrees C.

They are recommended for the majority of drying systems in use for food manufacture, also throughout industry for hot air, infra red, microwave, radio frequency, heated platens and vacuum drying.

### FILLING THE GENERATION GAP

Plessey generating sets 300W and 1.5kW DC.

Rugged reliability to military specifications is built-in to these man-portable engine-driven generators. For the cost-conscious professional, they offer value for money in such applications as stand-by power, communications and battery charging. Where you need power you can rely on absolutely—order your sets direct from Plessey!

**PLESSEY**  
Plessey Generation Systems  
Abney Works, Titchfield, Hampshire UK  
PO14 2YJ  
Telephone Titchfield (032 94) 43031

## HYDRAULICS

### Gives hull a good scrub

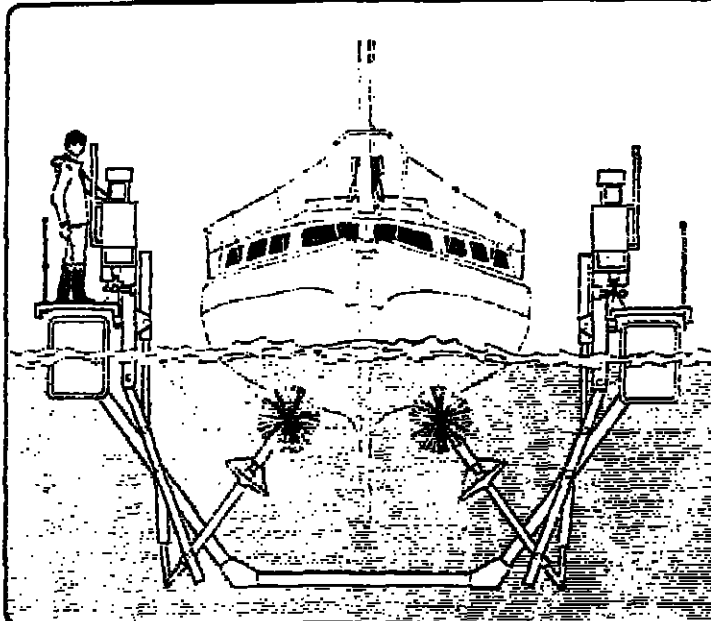
IMAGINE A hydraulic car wash working upside down in the sea and you will understand the principle behind "Seascrub", a new machine for cleaning boat hulls.

According to the makers, Hyd Marine Developments of Farnborough, Hampshire, the machine can be used to clean any length of boat including those with deep finned keels using either fresh or salt water.

A prototype has been working in Poole harbour for some months. Mr. Graham Phillips, who dreamed up the idea of "Seascrub" says that tests show that the machine's 12 inch polypropylene bristles defoul the bottoms of boats effectively.

The sensing system which controls the brush position against the boat is completely controlled by an electronic feedback system. No electronic sensors or servo arrangements are involved.

Mr. Christopher Good, managing director of Hyd Marine, aims to sell the machine at £20,000 to marinas and yacht harbours, where he thinks it will be possible to offer a complete hull cleaning service for about £1.00 a scrubbed foot—



at present, the procedure is to book your boat into a marina where it is lifted out of the water and cleaned by marina staff. The price can be as much as £2.50 a scrubbed foot.

Mr. Good plans to market "Seascrub" world-wide but chiefly to operators catering for leisure boating. There is some military interest in the machine, however, for cleaning fast patrol boats.

Those who believe prevention is better than cure may like to try a new anti-fouling compound developed by Research Consultants.

The new compound, Planktex, can be applied to any structure which passes its working life in water—ships, oil rigs, piers or piles.

Anti-fouling compounds generally release a poison—usually an oxide of copper or arsenic—from a paint resin. But there are bacteria in sea water which unsportingly convert the poison from oxide to sulphide which is insoluble and so seals the surface.

Research Consultants has added an anti-bacterial chemical to the mix to keep the bacteria at bay and so maintain the efficiency of the anti-foul.

Research Consultants points out that the cost of slime build up on the hull of a large tanker can add £60,000 in fuel costs on a journey between the Arabian Gulf and Europe.

Hyd Marine is on 0252 517333; Research Consultants on 01-674 6723/4.

## INSTRUMENTS

### New look for Zeiss microscope

FOR ROUTINE work, the latest microscope from West German company Carl Zeiss has a box-shaped construction unlike other instruments on the market and has been designed to be simple to use with the minimum of controls.

One facility for speeding up work is the "in-focus" handling arrangement. Slides are loaded into the handling system away from the viewing area and then slid into view without disturbing the selected focus and without risking damage to the slide or the objective lens above.

Irrespective of slide thickness, specimens immediately come into focus after every change, so that even at high magnification only minimum fine focusing will be required.

The instrument also has automatic Koehler illumination, saving a good deal of tedious adjustment. One knob selects the objective and at the same

time the field and aperture stops automatically adapt to give perfect illumination to match the selected objective. The condenser aperture can be reduced with an iris diaphragm until the best compromise between contrast and resolution is achieved.

More from PO Box 472, 31 Foley Street, London W1A 4YZ (01 636 8050).

time the field and aperture stops automatically adapt to give perfect illumination to match the selected objective. The condenser aperture can be reduced with an iris diaphragm until the best compromise between contrast and resolution is achieved.

More from PO Box 472, 31 Foley Street, London W1A 4YZ (01 636 8050).

### Monitors temperatures

ORIGINALLY intended for energy monitoring, a digital averaging direct reading thermometer designed by the National Engineering Laboratory can now be modified for other applications.

The period over which the temperature must be monitored is pre-set by means of thumb-wheel switches.

When the measurement period has been completed the average temperature for that period is stored and the next measurement cycle is automatically initiated. The readings are updated and auto-

matically stored and can be recalled and read from a display during the subsequent measuring cycle. It is not necessary to note manually the reading as soon as the measurement cycle has been completed.

The measurement period can be pre-set in multiples of half-day intervals up to a maximum of 99 half days. Though other basic intervals are possible, half-day units were chosen because of their relevance to energy monitoring applications.

The thermometer is being produced and marketed under licence by Gratech, 30 Earl Haig Road, Hillingdon Industrial Estate, Glasgow G52 4JU. (041 883 0327.)

## METALWORKING

### Automatic gauging press

MAKING ITS debut at the Chicago Fair (September 3-12) will be a new W. A. Whitney Corporation computer numerically controlled automatic gauging press for small and medium batch plate fabrication.

Production rates are said to be substantially increased by the elimination of manual setting of drop stops or other types of manual gauging, all co-ordinate gauge points being automatically set.

The overload-protected, hydraulic press can deliver its full 30-ton capacity throughout the entire stroke, control of which is pre-set for standard or high shear punching. Thickness of material which may be machined ranges from 0.7 mm to 6.4 mm and typical punching capacity is 127 gauge steel (1.9 mm) in 127 mm diameter or equivalent. Nibbling capacity is up to 6 mm.

Positioning accuracy over the 1,016 mm x 1,534 mm gauging area is plus or minus 0.25 mm, positioning speed is 5 metres per minute, and minimum programmed increment is 0.01 mm.

As no manual removal or repositioning of the plate is necessary, savings of up to 50 per cent in handling time can be achieved, it is claimed.

U.K. agent for this machine is AMCS, P.O. Box 6, Midhurst, West Sussex, GU29 0LL. (073 081 2498.)

THE West German National Materials Testing Station (MPA), at Stuttgart has installed, what is claimed to be the world's biggest servo-hydraulic tensile test machine.

It has an overall height of about 18 metres, a piston diameter of 200 mm, and a total weight of 200 tonnes. Forces up to 10,000 tonnes are generated.

The machine is used to test specimens with cross section similar in size to the structural components used in nuclear plant engineering and is designed to carry out tests on round steel specimens up to 800 mm diameter and flat specimens with thicknesses up to 300 mm and widths up to 1,300 mm.

A typical flat test specimen would weigh about 27 tonnes. Tests at high and low temperatures (-50 to +320 degrees C) can be carried out.

The machine was developed as a joint venture by Carl Schenck AG of Darmstadt and MPA Stuttgart. Klockner-Werke at Osnabrück manufactured all the heavy machine components.

## RESEARCH

### Puts it to the test

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## HAND TOOLS

### Cable cover stripper

SLITTING, STRIPPING and removing the outer covers of cables can be undertaken with a new hand held cable stripper called the Model TW6, announces Eraser International, Unit M, Portway Industrial Estate, Andover, Hants (0264 51347).

Said to be especially useful for PTFE insulated cables, the tool will strip most cables up to 1/2 inch diameter to aerospace and military standards.

## DATA PROCESSING

### Finding the best way to make it

A SUITE of computer programs designed to take the guesswork out of estimating industrial production has found Government backing to the tune of £70,000.

The suite, called PEFAC (Production Engineering, Fast Accurate Consistent), was written by H. Walton Technical Systems which was loaned the money over two years through the Software Products Scheme. The scheme, administered by the National Computing Centre, was set up to fund worthwhile developments in software.

the beginning of the year and could broadly confirm H. Walton's claims.

The suite takes the guesswork out of the critical stage at which the method of manufacturing a component is decided after all the technical drawing work is finished.

Traditionally this is a lengthy process involving an army of skilled estimators. Mistakes made at this stage in estimating the time to machine a particular component can be costly especially in long production runs.

For between £300 and £400, H. Walton does all the groundwork in the factory, setting up all the necessary parameters—cutting speeds, strength of materials and so on. It compares the user's figures with its own database.

The user buys or hires a computer terminal, is given its user number and is able to access the PEFAC programs which run on I. P. Sharpe's huge Amahi bureau in Toronto. The cost varies between £15 and £30 an hour.

The information fed back includes not only the overall estimate of time for the whole machining operation, the "door to door cycle time" but all the technical details.

It can thus be used as a basis for discussion between management and unions on piece work rates or incentive bonus schemes.

More about PEFAC on Walton-on-Thames 4776.

H. Walton is a new company established this year but built on the expertise of senior executives of the London company Power Engineering.

Christopher Church, H. Walton's managing director, explained that development of the suite began within Power Engineering. After that company had decided to pursue its chief interests, Church and Herbert Walton established the new company with Nicholas Leonard as chairman. Church claims that PEFAC has now been taken a considerable way: "Now we can present a production manager with a route card through his manufacturing problems."

First users of the suite include a subsidiary of CEC and the Introl valve subsidiary of George Kent.

George Lee, chief production estimator at Introl said the firm had been using the suite since

the beginning of the year and could broadly confirm H. Walton's claims.

The suite takes the guesswork out of the critical stage at which the method of manufacturing a component is decided after all the technical drawing work is finished.

### Screen has four faces

A COMPUTER terminal with the facility to divide the screen into four separate working sections is the latest offering from computers-to-instruments manufacturer Hewlett Packard.

It means that, for example, one section of the screen could be used for an inventory, another for mathematical analysis, yet a third for retrieval information, and the last for sending messages between two or more computers.

Manufacturers have been able to divide visual display screens in two for some time now, but the Hewlett Packard device, the 2626A, is a novel advance.

The terminal memory is divided into up to four separate areas, each operating independently. In consequence, the contents of each one or all four together can be displayed on the screen simultaneously.

The line width in memory is 160 columns; the screen is only 80 columns wide but horizontal scrolling means that a "window" of any width up to 80 columns can be scrolled from side to side to read the entire 160 columns in memory.

The terminal has keys which can be programmed by the user to carry out special functions and there is an optional integral thermal printer.

Who needs a terminal with a screen that can be divided into four? "That remains to be seen," according to Clive Pedder, Hewlett Packard's sales engineer for terminals, adding that he expected foreign exchange dealers and the like who needed a variety of rapidly changing information in front of them would find it valuable.

The terminal costs £2,275 and with the thermal printer £2,537. Hewlett Packard is on 0734 784774.

## COMPANY NOTICES

**MCCARTHY GROUP LIMITED**  
(Incorporated in the Republic of South Africa)  
**PRELIMINARY PROFIT ANNOUNCEMENT AND DIVIDEND DECLARATION**

The unaudited group profit for the year ended 30 June 1980 with comparative figures for the previous year, is as follows:

	1980	1979
Group operating profit	1,102	1,042
Interest	1,812	1,432
Net profit before tax	1,722	1,650
Taxation	682	593
Outside shareholders' interests	246	246
<b>GROUP NET PROFIT</b>	<b>794</b>	<b>663</b>

Issued ordinary shares 16,987,415  
Earnings per ordinary share 4.7c  
Dividend declared for the year 15c  
Interim dividend 15c

After three years of successful vehicle sales, the market responded strongly to the general economic upswing. The vehicle with its diversified franchise structure, was well placed to take advantage of the upswing. Earnings per share showed a growth of 13.9% over the previous year and were the highest ever achieved.

**Final Ordinary Dividend No. 79**  
The final ordinary dividend No. 79 of 15c (thirteen cents) per share has been declared by the directors for the year ended 30 June 1980 payable to holders of ordinary shares registered in the books of the company at the close of business on 3 October 1980.

The dividend is declared payable in the currency of the Republic of South Africa and will be paid to all shareholders on or about 24 October 1980.

For the purpose of establishing the shareholders entitled to participate in this dividend, the transfer register of the company will be closed from 4 October 1980 to 10 October 1980, both days inclusive. Shareholders must not have any change of address and/or dividend instructions must be lodged with the transfer secretaries on or before 3 October 1980 at their address given below.

In terms of the South African Income Tax Act 1962 (as amended), the non-resident shareholders' tax of 15% will be deducted by the company from dividends payable to shareholders who are registered in the register of members outside the Republic of South Africa.

By Order of the Board,  
E. J. CLOUSTON, F.C.I.S., Secretary.

Registered Office:  
111, Nedlands Circle,  
5719, Point Road,  
DURBAN.  
Transfer Secretaries and Certification Office:  
Hill Brothers & Co. (Pty) Ltd.,  
P.O. Box 62318,  
MARSHALLTON, TRANSVAAL, 2107.  
15 August 1980.

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## PROCESSING

### Ensures the right mix

A WIDE range of dry powders can be blended with small quantities of dry or liquid additives—such as pigments, stabilisers, fillers or lubricants—with varying actions to suit each material, says the maker of Bulkblendix, T. K. Fielder, Mayflower Close, Chislehurst, Industrial Estate, Eastleigh, Hants (Chislehurst 67131).

This range of powder mixers has capacities from 500 to 4,000 kgs and, at low machine speeds, achieves a very gentle blending of lubricants with fully dried pharmaceutical granules with minimal attrition. With faster mixing impeller speeds, a more aggressive action disperses pigments and breaks down lumps or agglomerates.

The shallow, toroidally shaped bowl achieves efficient powder movement without the problems associated with large volume dry mixers, says the maker.

Three separate jackets may be fitted around the walls of the mixing bowl (normally constructed of polished stainless steel with a removable cover to provide a totally enclosed, dust-tight vessel) for additional possibilities of heating, cooling or drying the powder during the blending process.

## Strips and twists

A MACHINE which automatically strips the insulation from wire, and then twists the length of stripped wire in one single operation, is called the Twist-stripper, and has been launched by Tele-Production Tools, Strith Road, Electric Avenue, West-chin-on-Sea (0702 352719).

This works in less than a second, says the company, as all the operator needs to do is feed the wire into the wire-guide and then pull out the stripped and twisted wire.

Waste scraps are gathered in a drawer below the machine which operates on 100-240 volts and can be used for pvc wire 1.2-4.0mm in diameter, and 5.0-25.0 mm in length. A right or left selector switch permits a change of twisting direction.



## Forty acres of America the beautiful

Forbes Wagon Creek Ranch. This is a truly outstanding opportunity to acquire substantial holdings in this picturesque section of America's great Southwest. The minimum ranch is forty acres... forty spectacular acres carved from the gigantic Forbes Trinchera Ranch in the breathtaking Colorado Rockies.

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Now, all of you who have ever dreamed of owning a big spread of land... seekers of that chance of a lifetime opportunity... your search may well end with Forbes Wagon Creek Ranch.

Forbes Magazine, through its land subsidiary, Sangre de Cristo Ranches Inc., is offering for sale that magnificent land area in the northern section of the Trinchera Ranch. One of the last of the remaining big ranches in America, this land ranks as one of the country's best-known hunting preserves. In season, you can hunt deer, elk, bear, wild turkey, grouse and other abundant wildlife. Many of these 40-acre ranches command an unobstructed view of Mount Blanca, the fifth-highest mountain peak in Colorado.

Prices start at \$25,000 per forty-acre tract, and easy credit terms are readily available.

For complete information, including pictures, maps and full details on our liberal money-back and exchange privileges, without obligation, please fill in the coupon or card and mail today.

**Forbes Wagon Creek Ranch**

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Old Balthasar House  
30 Vicarage Crescent  
London SW11 3LD England

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Address \_\_\_\_\_  
Telephone \_\_\_\_\_ FT3180

Obtain the Property Report required by Federal law and read it before signing anything. No Federal agency has judged the merits or value, if any, of this property

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Forbes Europe Inc.  
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London SW11 3LD England

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DREAMS, English Section, Espace Grimaldi, 11 rue Macarani 06000 Nice. (33) 87.27.54

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**PUBLIC NOTICES**

GLASGOW DISTRICT COUNCIL  
Notice is hereby given that the 1980-81 financial year will be closed on 31st March 1981. All rates and taxes due for the year 1980-81 must be paid by that date. Failure to do so will result in the imposition of penalties and interest. All rates and taxes due for the year 1980-81 must be paid by that date. Failure to do so will result in the imposition of penalties and interest.

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**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN that the 1980 Annual General Meeting of Shareholders will be held at Reid House, Church Street, Edinburgh, on 15th September 1980 at 12 noon, for the purpose of receiving the Report of the Directors and Auditors and the Financial Statements for the year ended 30th June 1980.

1. To receive the Report of the Directors and Auditors and the Financial Statements for the year ended 30th June 1980.

2. To appoint auditors to hold office until their successors are appointed at a rate of one shilling per share to be decided by the Directors.

3. To determine the remuneration of the Directors.

4. To determine the remuneration of the Auditors.

5. To transact any other business of an ordinary meeting of shareholders.

By Order of the Board,  
D. C. CAMPBELL, Secretary.

Reid House,  
Church Street,  
Edinburgh 1,  
Scotland.  
7th August 1980.

Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his behalf.

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The interest applicable to the above notes in respect of the six months period commencing 1st August 1980 has been fixed at 11.5% per annum.

The amount of US\$20.00 per US\$1,000 principal amount of the Notes will be paid on Friday 20th February 1981 against presentation of coupon no. 1.

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# AUEW wants to meet Thatcher over job losses

BY NICK GARNETT, LABOUR STAFF

THE Amalgamated Union of Engineering Workers is seeking a meeting with the Prime Minister over job losses, selective import controls and energy pricing. The move follows a survey it conducted which suggested that redundancies in the industry were increasing rapidly.

The union is also writing to 30 of the industry's employer organisations, seeking a joint union-management campaign to persuade the Government to lower interest rates, improve fuel pricing policy for the benefit of industry and introduce selective import controls.

The union's survey, carried out by district and branch officials, points to 193,000 job losses in engineering and a few small related sectors.

It is not clear when these redundancies occurred but most districts seem to have provided their statistics over the period since May last year. They do not include the considerable number of redundancies announced in the past two weeks.

The Department of Employment's figures show evidence of 130,000 job losses in the engineering industry in the year to May this year, compared with 40,000 lost in the twelve months before that.

Mr. Terry Duffy, the union's president, said the position was "frightening" in an industry which should be at the centre

of the country's economic regeneration and his executive felt an urgent meeting with the Prime Minister was necessary.

The AUEW, which says 70,500 of its members have lost their jobs in engineering during the period of the survey is seeking the meeting through the Confederation of Shipbuilding and Engineering Unions. The union will propose this at the confederation's meeting next week.

As well as seeking support from employers, the union is also asking employer associations to protest directly to MPs.

Pay negotiations for the industry begin next week and the Engineering Employers Federation will argue that evidence of the sector's financial deterioration, means it cannot afford to meet the unions' claim for "substantial" rises in minimum rates.

Mr. Duffy said yesterday that, in spite of that deterioration, the claim was justified and would not be "insurmountable" for the employers.

The AUEW is writing to the Boiler-makers Society, with which it has discussed detailed merger proposals, claiming the society undertook to inform the AUEW if it made any amalgamation decision. The boiler-makers are starting merger negotiations with the Electrical and Plumbing Trades Union.

## Union meeting date set

BY OUR LABOUR STAFF

THE national committee of the Amalgamated Union of Engineering Workers' engineering section is being reconvened on September 13. The meeting will allow its national leaders to confirm fully the mandating of its delegates to the Labour Party conference.

This might prove important in light of the national leadership's support of the present system of electing the party leader and drawing up the manifesto and of the compromise proposals on the re-selection of MPs.

The union has a block vote of almost 900,000 and played a decisive role at last year's conference.

Mr. Terry Duffy, the union's president, said at the weekend that the delegates had in effect already been mandated. But the reconvening of the national committee, where the Right has a clear voting majority, will allow the mandating to be reinforced.

It is also likely to be more detailed, as delegates will then have the Labour Party agenda and the precise formula on the proposed electoral college may be known.

The national committee is being reconvened immediately before the union's amalgamated conference of its four sections.

# BL seeks faster redundancy rate

BY LORNE DARLING

BL HAS asked white collar unions to agree to as many as 4,600 redundancies among staff employees at the company by March next year, speeding up the rate of job losses under Sir Michael Edwards' plan to achieve a reduction of 25,000 jobs over two years.

The proposal was made at a meeting between BL management, led by Mr. Geoff Armstrong, the personnel director, and officials from the Association of Scientific, Technical and Managerial Staffs, and the white collar section of the TGWU.

The company is concerned that the rate of redundancies among hourly-paid workers is outstripping those of white collar workers, creating an imbalance which it is now seeking to correct.

In August last year BL employed 89,500 hourly-paid workers and 24,300 staff. These numbers had been reduced by June this year to 77,000 and 22,600 respectively. This meant that while hourly-paid jobs had

been reduced by 14 per cent, white collar jobs had fallen by only 7 per cent.

Union officials were told that the company therefore wanted to reduce the number of staff to between 18,000 and 18,500 by March, by means of voluntary redundancies if possible.

BL said the position would be made even worse in the next few weeks by around 2,500 hourly-paid redundancies at Canby with the end of Dolomite production and the move of TR-7 production to Solihull, and by 800 redundancies at Abing-

don with the closure of the MG plant.

Mr. Bob McCusker, assistant general secretary of ASTMS, said there had been no threat of strike action and hoped the proposals could be handled in a calm way.

He added that the national executive committee of the union had accepted a motion at a recent meeting saying it would assist members faced with redundancy, and intended to do so. Letters were sent out yesterday by both unions outlining the BL proposals.

whether the numbers on a picket line were excessive, Mr. Prior stressed.

Mr. Prior also claimed that the Brixton demonstration, which led to 18 arrests, had been "intimidating" to the majority of the employees at the office continuing to work. The picket had not been a peaceful one and latterly seemed to have become a political demonstration against the draft code.

Mr. Holland said last week that the Government's proposed code would mean the "end of peaceful picketing." He said he had written to Mr. Prior urging him to make it plain that the Government had no commitment to limiting the number of pickets to six until the matter had been properly debated in Parliament.

## TUC likely to invite Callaghan

By Christian Tyler, Labour Editor

AN INVITATION to Mr. James Callaghan, the Leader of the Opposition, to address the annual Trades Union Congress in two weeks is expected to be issued to-day by the TUC General Council.

The appearance of Mr. Callaghan would symbolise the unity of the Labour Party and trade unions in their dislike of Government policy. But it could also reinforce the hopes of those—including some trade union leaders—who think Mr. Callaghan should stay on as leader, to fight the next general election.

Mr. Callaghan has recently re-emphasised his enthusiasm for a new deal on pay between the unions and the next Labour Government—a proposition that will almost certainly be discussed at the Brighton Congress.

Immediately after the congress, a TUC delegation will visit Poland. Members of the Economic Committee will go as guests of the Central Council of Polish Trades Unions and expect to meet shop floor committees and to learn about the emergence of the unofficial "free" trade union movement.

Elmor Goodman adds: A Conservative MP yesterday accused the British trade union movement of failing to support the Polish strikers. Mr. John Patton, the member for Oxford, claimed that the struggle of the Polish workers had been greeted "with a deafening silence by the trade union movement here in the UK."

## Reinstatement for Brixton men

BY OUR LABOUR STAFF

THE Civil Service Appeal Board yesterday recommended the reinstatement of the two men dismissed at the employment office in Brixton, London, whose case led to mass picketing at the office last week.

The Department of Employment last night accepted the recommendation which also says that the two men, both members of the Civil and Public Services Association, should be moved to another office in the department.

Finding that dismissal was too severe a penalty, the appeal board said that the period since the men were dismissed in June should be regarded as suspension without pay. They should also be warned that further misconduct will result in dismissal.

Elmor Goodman adds: Two senior Cabinet Ministers yesterday

rounded on Mr. Stuart Holland, the Left-wing Labour MP who was one of the leaders of the mass demonstration outside the Brixton employment office, accusing him of doing his best to mislead and confuse the public.

In two separate letters, Mr. William Whitelaw, the Home Secretary, and Mr. James Prior, the Employment Secretary, went to considerable lengths to refute Mr. Holland's allegations that the Government's code of conduct on picketing is misleading and that the Government intended making it law.

The Government's proposals, suggesting a maximum of six pickets per factory gate, were only intended as guidelines, he insisted. The limit would in no way alter the discretion already vested in the police to decide

whether the numbers on a picket line were excessive, Mr. Prior stressed.

Mr. Prior also claimed that the Brixton demonstration, which led to 18 arrests, had been "intimidating" to the majority of the employees at the office continuing to work. The picket had not been a peaceful one and latterly seemed to have become a political demonstration against the draft code.

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## TASS call on aerospace

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE nationalisation of parts of the UK aerospace industry other than British Aerospace, such as the helicopter industry and the hovercraft manufacturers and avionics companies, is advocated by the Technical, Administrative and Supervisory Section (TASS) of the Amalgamated Union of Engineering Workers.

In a new study of the aerospace industry, attacking the Government's plan to sell off part of British Aerospace's shares to private investors, TASS suggests that the reverse process would be more beneficial, with more nationalisation, not less.

"There must also be close liaison between the three pre-

sently publicly owned concerns—Rolls-Royce, British Airways and British Aerospace," it says.

Collaboration, planned investment and an integrated approach on procurement will boost the commercial strengths of all three industries.

TASS suggests that the Ministry of Defence should be made to place orders for the British Aerospace 146 jet feeder-liner. "The alternative is collaboration with U.S. companies reducing us to the level of totally dependent subcontractors."

TASS also supports further collaboration with Western Europe, with the further development of Airbus Industrie, especially on future projects.

## Civil Service merger opposed

THE PRIME MINISTER has been strongly urged by the Civil Service Union not to return management of the Service to the Treasury.

An announcement by the Government recently, confirming that it is to examine whether the Civil Service Department should be merged with the Treasury, has alarmed the unions. They are particularly concerned that handling of industrial relations would suffer if the CSD was wound up.

Mr. Bill Kendall, Secretary-General of the Council of Civil Service Unions, has written to Mrs. Margaret Thatcher reminding her that the Fulton Committee of 1968 criticised the Treasury management of the Service.

## APPOINTMENTS

# Managing director of Burroughs Machines



Mr. L. A. Rushton of DECLAN KELLY ASSOCIATES.

Mr. L. A. (Laurie) Rushton has been appointed managing director of BURROUGHS MACHINES UK subsidiary of computer manufacturer Burroughs Corporation, U.S. He succeeds Mr. R. W. (Bob) Akers who is returning to Burroughs headquarters in Detroit as corporate director, marketing operations, after four years as managing director of the UK company. From 1972 to 1978 Mr. Rushton was general manager of Burroughs South African company and following that he was regional manager in charge of Burroughs operations in North-West Europe. His last appointment. He takes over as managing director at a time of considerable expansion of Burroughs activities in the UK. Two new plants are being opened later this year bringing Burroughs research and manufacturing plants to a total of eight. A major expansion programme is also under way at the company's Croydon plant where terminal systems are made.

The Board of management of N.V. PHILIPS GLOELAM-ENFABRIKEN has decided to propose to an extraordinary meeting to be held in December that Mr. Gerrit Jeelof should be



Mr. Gerrit Jeelof appointed a member of the Board of management from January 1, 1981. He took up his present position as chairman and managing director of Philips Industries in the UK in 1976.

Mr. Lynn E. Williams has been appointed chief executive of MORFAX. Mr. Frank Williamson who was appointed non-executive chairman following the death of Mr. Tom Morris will continue in that office.

Mr. Jon Bareham has been appointed a main Board director

Mr. John Barber, formerly a director of the Ford Motor Company and of British Leyland, is to join the Board of SPEAR AND JACKSON INTERNATIONAL on September 1, as a non-executive director.

Mr. David Donne is to resign on September 1 his non-executive directorship with Spear and Jackson International to concentrate on other business commitments.

Mr. Ronald B. Hart has been appointed president and managing director of UK and Republic of Ireland operations for



Mr. Ronald B. Hart

WESTINGHOUSE ELECTRIC SA. He comes to his new assignment from the position of executive assistant to the president, Westinghouse Industrial Products Company.

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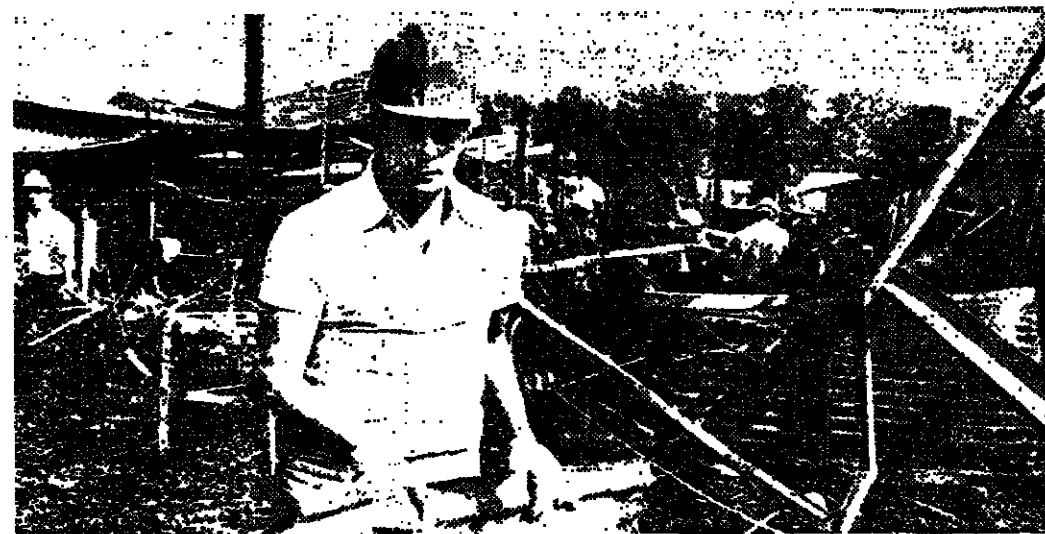
## THE MANAGEMENT PAGE

هكذا من النهر

EDITED BY CHRISTOPHER LORENZ

Kenneth Gooding looks at how a flexible manufacturing structure enabled a U.S. multinational to absorb the loss of a major plant...

## Fire at the factory



Roger Randall: orders were completed by searching the debris for parts

ALMOST ON the stroke of midnight three weeks after he arrived in Britain from the U.S. to take over as head of the Eaton Corporation's truck components business in Europe, John Rodewig's telephone rang. The caller came straight to the point. "I am sorry to have to tell you this. But the Manchester factory has burned down."

That was no exaggeration; not much could be salvaged from the plant. Up to that time Manchester was responsible for producing roughly one-third of all the Eaton truck gearboxes the U.S. group manufactures in Europe.

Yet no customer has gone short of gearboxes since the fire last September. Eaton has been able to step up production at other plants where the Fuller transmission is made to the same specification—at Basingstoke in Hampshire, and at St. Nazaire in France, and even to some extent in the U.S.

This has been possible because Eaton has steadily built up its international operations over the past 25 years, and at the same time has stuck to a policy of making truck components which are completely interchangeable world-wide and will fit any truck whether it is assembled in North America, Europe, Asia or Australia.

Eaton is one of the handful of component manufacturers which should be able to keep pace with the multinational vehicle makers as they develop "world cars" and "world trucks" during the 1980s. The near-disaster at Manchester emphasised Eaton's lead on most of its major competitors because its own "world components" network has been in place for many years.

But the question remains of how it hopes to maintain that position now that everyone else is getting in on the act.

Its strategy is based partly on defence, partly on attack and also very heavily on technology.

Some 18 months ago Eaton's truck components division stepped up research and development spending from 2 to 4 per cent of annual sales—or from \$20m to \$40m last year. And the higher rate of expenditure will continue for at least another 18 months, although not all this will be concentrated on truck transmissions. Eaton is the only independent truck component supplier which can offer the complete drivetrain—transmission, axles and brakes.

However, it is at the heavy end of the truck transmission market that Eaton has the most to lose as the industry hastily reshapes itself.

Eaton feels it has done its market research very thoroughly and has come to the conclusion that by 1990 a whole new range of heavy truck diesel engines will have been launched on to the world market by various

manufacturers. Engines will use fuel much more efficiently than those they will replace.

This emphasis on fuel efficiency will carry through to all other truck components; in particular it will be important for the new engines to be carefully matched with truck transmissions if they are to provide their best performance.

Eaton is determined to have the right transmissions to match each engine as it is launched.

The life cycle of the average engine is around 20 years, so if Eaton misses the target "it could be out of the game until 2005," points out Bob Gillison, the 44-year-old American who is president in charge of Eaton's truck components operations.

"We have a pretty good share of the world markets for transmissions to go with engines of 240-250 horsepower and above. Unless there is a real technological breakthrough by one of our competitors, we are going to continue to play a very dominant role in that business. So our basic strategy is: If anybody is going to develop new technology, it had better be us."

The markets outside Japan have indicated to us that our transmission is the preferred product. So for anyone to take away from us they have to come along with a transmission that is perceived to be better than ours. I don't see any product on the horizon that does that.

## Aggressive moves

"But I do see people getting into certain niches. So that is another thing we have to do—make sure that as the various niches develop behind certain engines that we have a product that fits."

To achieve such a broad coverage, Eaton is working on the development of all types of heavy truck transmissions, from the relatively simple to those incorporating high technology: manual, semi-automatic and automatic.

But Eaton will not just be protecting its rear from the competition. It will aggressively move into territory where it has so far been relatively unobtrusive. Gillison admits: "One of our weaknesses is that we do not have such a broad product range as some of our competitors."

"But there is more room for us in their markets than there is for them in ours. So we have lots of offensive programmes. For example, automatic transmissions for smaller trucks. We will go for the mid-range transmissions as they tackle us at the heavy end."

Gillison agrees with those pundits who expect the truck industry to go through a shake-

out in the medium term. He suggests that by the year 2000 only 10 truck manufacturers will dominate world markets and that there will be opportunities for component suppliers as this narrowing down takes place. "We are well structured to take advantage of that change. If you are to take advantage of the technology you have to offer you must do it on a world-wide scale," he says.

There is, of course, a danger that the remaining truck groups might produce more of their own key components once the scale of their operations increases. At the moment some German groups like Daimler-Benz and the Scandinavians, Volvo and Scania, make their own transmissions and are therefore in competition with Eaton.

Again Gillison points to the technological base of Eaton's products. "Those truck companies which will make more in-house components will tackle those of low technology first."

"And even if you have the technology the cost is enormous. You need \$2m to put in the capacity for 1,000 axles or transmissions a year."

Eaton reckons it can face that kind of financial demand. Last year it had sales of \$3.4bn and a net income after tax of \$154m. It designs, engineers, manufactures and markets over 5,000 different products. It has 200 plants on five continents.

In the mid-1970s around 30 per cent of its sales were accounted for by the heavy truck transmission business but recently Eaton has been busily buying its way to a broader base—particularly with the \$87.5m acquisition of the Cutler Hammer US-based multinational electronics group in 1978.

This does not indicate any lack of confidence in the business on which Eaton's fortunes have developed. According to E. M. "Del" de Windt, the chairman and chief executive: "We are as bullish long term about our transportation products as we have ever been. I think we are better positioned, better facilitated: we have stronger management and organisation than we have ever had."

At the moment we are suffering from the economic cycle which hit us first in the U.S. and we are seeing signs of it moving into some of our international markets. But we are continuing to invest in plant, research and engineering and the allocation of capital is continuing with the same dedication and commitment that it has for the past 15 years.

"Anything we are doing in other areas is to provide a broader base and to move us into new markets or technologies and ones which hope-

fully will be somewhat counter-cyclical to the transportation products."

Currently about 30 per cent of Eaton's total sales come from outside the U.S. and there are no plans to increase that as a matter of policy. However, the development of the truck business around the world will probably involve Eaton's truck components division with 20 per cent of sales outside North America, being more active outside the States than at home.

For example, Eaton is fighting hard to remain in South Africa as the government there contemplates how the commercial vehicle industry should be reshaped. There are some suggestions that Eaton's arch rival, ZF of Germany, might become monopoly truck transmission suppliers.

Eaton wants to follow General Motors into its truck venture in Taiwan and, if GM gets the contract, to China. As it happens, most of the truck makers interested in helping the Chinese reconstruct their truck industry are Eaton customers.

South America has been disappointing for Eaton—all the motor groups operating there have been expecting "jam tomorrow" but "jam today" has not even materialised—but Eaton is expanding axle plant in Mexico where it has a 40 per cent stake in the Eaton company there.

Eaton made its major push in Europe six years ago and so no further expansion is contemplated—except that the Manchester plant is to be rebuilt at a cost of £15m. Associated with that, because there is to be some rearrangement of which products are produced at which plants, is a £3.5m re-equipment project at the Basingstoke plant and a further £1m will be spent at St. Nazaire.

The European truck components business also takes in the manufacture of axles and axle housings at Aycliffe, Co. Durham and Darlaston, West Midlands in the UK; and Pamplona, Spain.

Unofficially it is estimated that annual sales of truck components in Europe are running at about \$200m, while the automotive components business—mostly valve plants at Rivarolo, near Turin, and Mantelcone, near Trieste, in Italy, and Montornès, near Barcelona, Spain—add about another \$100m a year.

The European connection has for some time been a two-way operation. For example, two medium-duty truck transmissions developed in the UK are to be used by Eaton in the U.S. now that the market for diesel-engined medium trucks is sharply increasing there.

As Gillison said, "where you make a product these days is much less important than the technology you build into it."

... while Lorne Barling shows how a small British company coped when its only premises were destroyed

THE SCENES of devastation after a recent fire at the Gloucestershire premises of H. J. Godwin, ironically enough, a pump manufacturer, would have been an ideal advertisement for fire insurance.

The fire came as a severe shock to Godwin's owner of only nine months, the Droitwich-based Wolseley-Hughes group, which regards Godwin's as "one of the two jewels" in its recent takeover of the John James group of companies.

And the village of Quenington, near Cirencester, home of Godwin's for more than 100 years, was stunned. The company employs around 150 people in the area and many watching the flames believed they could see their jobs going up in smoke.

Now, three months after the event, the company is anxious that some of its customers, hearing about the extent of the fire, may worry about deliveries: apparently many have not noticed any difference so far, since initial recovery has been so successful.

This has been due more to management-inspired efforts of Herculean scale, rather than the limits of the damage. The company's main production building, housing the machine shop, fitting shop and paint plant, was completely destroyed at a cost estimated at £2m.

The blaze, which started on a Saturday afternoon and raged for 15 hours, was probably started by an electrical fault in the paint shop. Although vital stores of pump parts were engulfed, offices and records were saved.

The company has been able to maintain immediate deliveries mainly by drawing on its previously high level of stocks, and by leasing a number of machine tools such as lathes and drills which were set up in one of the undamaged buildings to turn out essential parts.

However, the immediate problem for management, notably Godwin's managing director Roger Randall, and the chair-

man, Espley-Tyas, was how to ensure the survival of Godwin's, a company with a good profit record but highly dependent

upon its flexibility in providing customers with the type of pumps they want.

About 50 per cent of output is exported mainly to developing countries, but despite being a smallish company, it offers around 1,500 variations on a basic range of pumps based largely on Petter, Lister and Perkins engines.

Randall's most vivid impression of his company in the crisis was that some people responded extremely well, switching from routine work to makeshift jobs with little trouble, while others were confused and could not adapt.

His own role, he suggests, was to make people believe he knew what he was doing and boost confidence. To this end he successfully ordered at short notice 150 hard hats, 500 pairs of gloves, sledge hammers, welding sets and waste skips and was lent a generating set by a local company. On Monday morning the employees set about cleaning up.

Jeremy Lancaster, for his part, immediately resisted any ideas that the whole operation should be moved to new premises at nearby Cirencester. He believed that Godwin's would not survive uprooting since it and its labour force are mutually dependent.

"The company is in a fairly remote spot and people are very reliant upon it. We agreed very quickly that the only answer was a new factory," he said.

He therefore instructed Godwin's management to concentrate on meeting the demands of a full order book, however it could, while he looked after the construction problems. The company had a fairly large number of virtually completed pumps in stock at the time of the fire, which helped deliveries, but some could only be completed after

staff had searched through the debris to find a particular seal or washer.

The response of local people to the crisis has been outstanding, with emergency meetings of the district council being held to speed up planning permission, and supplier companies pulling out the stops to replace parts.

As a result of everyone's hard work few delivery delays have occurred and the foundations of the new factory are in place, on a newly bought adjoining site. It was decided that less time would elapse in building from scratch than in having to clear the original site. The decision was helped by the swift go-ahead given by Frizzells, Godwin's insurers: insurance will have covered a fair proportion of the replacement costs, although only on a like-for-like basis.

## End of year completion

A local Evesham building company, Espley-Tyas, of which Jeremy Lancaster is a non-executive director, is undertaking the work under a strict cost budget, and completion is expected by the end of the year. "Survival was the prime consideration," Lancaster says, "but we have also taken the opportunity to invest around £500,000 in the company."

New machine tools will obviously be needed, but there will be some reconditioned models to replace the older ones, since Randall fears that if the company's way of doing things is altered too severely, it could reduce its flexibility.

"We can stop production of one pump and start on another in a matter of minutes; since we approach the market on a

broad front, we have to do things in this way. One of the biggest losses in the fire was our stock of parts, which ran into thousands of items, many specially made for us," Randall said.

UK customers were immediately told of the disaster and have been kept informed on progress. Only a very small number of contracts have been lost and orders continue to come in, but the worst of the delivery problems are occurring now, since the fire halted production of those goods due for despatch in August.

A £200,000 order, which has so far not been delayed, is for the supply of irrigation pump sets to Kampuchea. Other major markets include Nigeria, the Sudan, Ghana, Libya, and developing countries which need robust but relatively simple pumping equipment.

There seems little doubt now that the company will emerge from its crisis early next year with 10,000 sq ft of extra production space and a new factory, probably not perfect in layout but one which was achieved quickly and effectively.

The management has also learnt something about the company's strengths and weaknesses: the workforce (which has an extremely good record in terms of productivity and labour relations) is its major asset, and supplies of small parts are as vital to production as castings.

Wolseley-Hughes has confirmed its belief that Godwin's was a good acquisition, since its management is resilient and able to handle a crisis. Perhaps most important, Godwin's has learnt that its new parent company, previously regarded with some suspicion, is interested not only in profits, but in the long-term future of the company.

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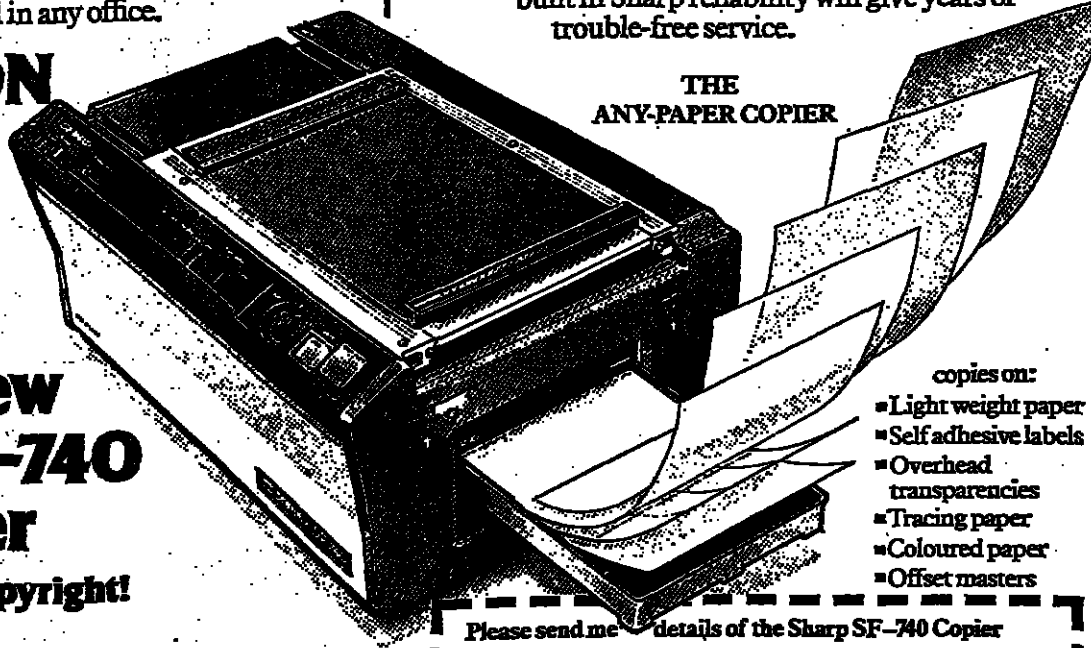
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## Sinclair ZX80 Personal Computer. £99.95

Including £13.95 VAT.  
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Free course in computing.  
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## Inside a day, you'll be talking to it like an old friend!

If computers interest you—and today, computers should interest everybody—you'll find the ZX80 totally absorbing. But more than that, you'll find it of immense practical value. The genuine computer understanding it gives you will be immediately useful in any business or professional sphere. And the grounding it gives your children will equip them for the rest of their lives.

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The ZX80 comes complete with its own specially-written 128-page guide to computing. The book assumes no prior knowledge and represents a complete course in the subject—from first principles to quite complex programs.

It makes learning easy, exciting and enjoyable.

Price includes mains adaptor, TV and cassette recorder leads, as well as VAT and post and packing.

Your TV (whether black & white or colour) is all that's needed as a display. Normal TV reception is not affected.

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LOMBARD

# New approach to defence research

BY DAVID FISHLOCK

"EVERYBODY knows that research is for fun and not really valuable," a senior British defence scientist remarked sardonically to me recently. But in one aspect at least it is deadly serious. Research and development (R and D) for defence will run up a bill of about £1.5bn in Britain this year—nearly one-third of the cost of the entire defence procurement programme. The Ministry of Defence has just tested industry and unions a rather hot potato in defence R and D.

Every big research programme would benefit from the kind of investigation the Government mounted last summer into defence R and D. Lord Strathcona, Minister of State at the Ministry of Defence, was its chairman. The investigation included two senior scientists from industry, as well as Professor Ronald Mason, the ministry's chief scientific adviser, who has no direct responsibility for its R and D establishments.

## Pertinent

These establishments have already lost 14 per cent of their staffs through "attrition" since 1974. Nevertheless, the Strathcona study addressed a highly pertinent question: could more of the R and D now being done in the dozen establishments with such famous names as Farmborough and Malvern be done more economically in industry's laboratories or in universities?

Its conclusions, just published as a paper for discussion, are unequivocally that industry and universities could and should be doing more defence R and D. The Strathcona study looked into 11 of the 12 establishments, totalling 23,000 staff. (It exempted only the 5,000 employed by Aldermaston, the Atomic Weapons Research Establishment.)

The Strathcona study sees scope for transferring the work of nearly one-fifth of the ministry's present R and D payroll for these 11 establishments into industry or universities. At the same time it finds urgent need to strengthen the R and D establishments themselves in some of the intellectually most challenging areas, such as the behaviour of increasingly complex systems and the exploration of funda-

## Big voice

As industry sees it, in spite of the fact that defence is one of the few large growth industries in Britain today, it is not a good time to talk of investing more heavily in R and D. But both industry and universities, in preparing replies for the Ministry in the next few weeks, should keep in mind that the Strathcona report goes much further than merely seeking to comply with the Government's desire to see civil servants. It is proposing for the 1980s a radical restructuring and strengthening of the defence R and D base in Britain, in which just for once industry itself has already had a big voice.

ECONOMIC LOGIC makes a model of most things, but it is lethal to attempt to grow soft fruit. A few years ago I worked out how much a family would eat. I added up the cost of the fruit, the new all-purpose fruit netting, the extra sprays, and the cost of the complaints in the Fruit Grower's Manual: coral spot, raspberry beetle and grey mould.

Currents, say the books, are gross feeders. It is not so long since a rogue in a pin-striped suit tried to sell me my neighbour's cow manure at £2 a bag. Manure multiplies the weeds, and weed killers will soon be more expensive than garden contractors. Economists are also advised to measure the risk of their investments. I recall some guarded sentences from an old Royal Horticultural Society booklet, The Fruit Garden Displayer. It can still be picked up for about £2 and is a good guide to an awkward business.

"Fears," it remarks, "are not so easy to grow as apples in this country." "Honey fungus," it says of the gooseberry, "causes rapid death of the bushes." Among apples, its attacks are described as "frequent".

I began to see the fruit cage as a company which required its investors to do their own heavy labour while announcing that at any moment, it might pass its yearly dividend, plead the

weather and apply for new funds in order to survive. Four rows of raspberry: canes, six bushes each of black and red currants, a polythene tunnel of straw-berries and a clump of gooseberries, named, staked, tied and defended, work out at £125, excluding labour.

I could very nearly afford instead to take my family on an away-day, see-a-friend outing to Manchester and back by courtesy of British Rail.

At this point, financiers would have concluded that straw-berries should be priced at £1 each. It struck me rather differently. For a while I concluded that soft fruit was no longer worthwhile. It would take eight years for a family, on modest appetite to eat up the cost of the fruit cage and as for the coddling moths and gooseberry sawflies, perhaps they, too, had a right to live.

After this summer's raspberries in the shops, my attitude has gone into reverse. It may have been a wet year, but the art of raspberry growing is dead, it must be possible to grow something better than wet bits of rubber in contrasting shades of pink and purple.

Red currants are a market rarity and the deep freeze has driven out the best raspberry, Lloyd George. Thinking beyond mere figures, I want to start again with anything which is less better than a strawberry.

Mid-August is the time to have these second-thoughts as you can now save yourself paying for any new stock. The next weeks are the moment to ask leave from a friend to take cuttings of good blackcurrants and redcurrants.

They are extremely simple when you know where to go. Take about nine inches off the currant stems which have grown away. Space them about six inches apart to give them room to spread. In late 1981, you can move them to their new site.

One small tip: when you trim the cuttings, do not remove any buds up the length of the stem. Only two will show above the soil but the others will help the rooted cuttings spread out and make a proper stool of growth from the base.

## GARDENS TODAY

BY ROBIN LANE FOX

If you have a choice, go for Boskoop Giant among the blacks and keep an eye open for the very late fruiting Malling Jet. The best reds are Laxton's No. 1 and Red Lake.

Red currants can be grown as climbers up wires. Encourage your rooted cuttings to split into two main stems near their base and tie them up on to the sort of wire which you would use for raspberry canes. Be sure to give each leader a good bamboo stick to keep it straight. In this small garden, the beautiful fruits of the red currant have been used as a climbing background to a flower border of lavender, day lilies, pale pink mallow, dark blue, lavender and a long run of striped pinks. You have to net the wires against birds but the currants are a bright

enough red to show through. Climbing blackberries are less handsome but their fruits rival strawberries at their best. They are absurdly expensive if you buy them in black polythene at nearly £2 a potted can. If you move quickly, you can root your own this year by latching on to a friend's plant and showing him how to layer it. Not all varieties are worthwhile. The best is called Oregon Thornless, a variety which is painless, well flavoured and vigorous with its finely cut leaves. Avoid the giants called Bedford and Himalayan as they do not have so good a taste.

Bend a shoot from Oregon Thornless down to touch the ground and weight it into place with a stone. Dig a hole about six inches deep and bury six inches of the tip into the hole where it touches the ground. Leave it alone until the spring. Then cut off the rooted tip from its parent and you have your own blackberry plant for nothing.

You may know how to economise with raspberries. Ask a friend for some suckers from his canes in October and as long as they are not diseased, they will grow for nothing. So again, you only have to beg some healthy runners of strawberries and replant them in the next week or so.

Gooseberries are pricklier customers. Treat them like currants and ask for cuttings in

mid-September. The yellow-fruited one called Leveler has a particularly fine flavour and will last very well in a freezer. They are not the surest plants to root but if you use the current method, you ought to succeed with a few by September 1981.

When you move these rooted gooseberries to their home, trim off the buds from the part of the cutting which stood below ground. They will then form a solid stem of which the bush can support itself. The fruits are far better grown than bought. The commonest reason why they refuse to crop are the birds in winter. In late winter take care that the fruit buds are not pecked out while you sit indoors. Cover the bushes with black cotton in December and if you want to grow the Leveler in the presence of bullfinches, net it completely to keep them off.

By knowing how to multiply the best varieties you can restore soft fruit to a certain logic. There are still the American mildews, the magpie, moths and cost of netting. If you give up raspberries, you can dispense with a cage and use single nets cheaply on the currant bushes instead. Like all crazy gardeners, the cost of your fruit can be trimmed if you give it a thought. Now is the season to beg your new stock, the cunning gardener's way to a large crop of fruit in the cheap.

# Prince Bee is right for York

A YEAR AGO Lester Piggett won the race-runner Great Voltigeur Stakes on 12-1 chance Noble Saint, and it appears likely that he will again return successful in this afternoon's five-runner renewal. This time he is aboard Prince Bee.

## RACING

BY DOMINIC WIGAN

Although the form of Sir Michael Sobell's powerfully made Sun Prince colt was patchy to say the least in the spring, he is now without doubt one of the best middle distance colts of his age.

Prince Bee was a 1½ lengths runner-up to Tyrnovo in Ireland's 13-runner Sweeps Derby, following a workmanlike victory over Rankin in the Pre-dominant Stakes at Kempton. He returned to the winner's

enclosure last time out with a fluent Goodwood success. There Prince Bee — whose breeding and relentless gallop suggests he will find no difficulty in getting a mile and three quarters when the time arrives — pulled away from Flingal's in the closing stages of the 12-furlong Gordon Stakes.

The remainder, headed by Rankin, were easily disposed of. He is sure to be served well by this stiff galloping track, and looks capable of running his field ragged if, as I anticipate, he is given full impetus some way out.

Light Cavalry has no chance of turning the table on 2 lb better terms judged by the result of the Goodwood race, while neither Dukedom nor Pelerin has the credentials to warrant serious consideration.

The only other participant, Saviour, could not muster the

necessary pace to threaten Nicholas Bill, Son Fils and More Light in the Princess of Wales's Stakes at Newmarket last month. Saviour, too, looks out of his depth against the West Ilsley colt on level terms.

In the absence of Tolmi, Kittyhawk is given a confident vote in the Lowther Stakes, and I like the chance of Fine Tale in the Tote Ebor.

## YORK

2.00—Saba Nejd  
2.30—Kittyhawk\*\*\*  
3.05—Fine Tale  
3.35—Prince Bee\*\*  
4.10—Tolstoy  
4.40—Many Moons  
5.10—Wyddial Park

## YARMOUTH

2.15—Mascarina  
2.45—Welsh Display  
3.15—Imperium  
4.45—Paleor

## SCOTTISH

10.50 am Call it Macaroni. 11.10 am The Last Days of Pompeii. 11.30 am The Last Days of Pompeii. 11.50 am The Last Days of Pompeii. 12.10 pm The Last Days of Pompeii. 12.30 pm The Last Days of Pompeii. 12.50 pm The Last Days of Pompeii. 1.10 pm The Last Days of Pompeii. 1.30 pm The Last Days of Pompeii. 1.50 pm The Last Days of Pompeii. 2.10 pm The Last Days of Pompeii. 2.30 pm The Last Days of Pompeii. 2.50 pm The Last Days of Pompeii. 3.10 pm The Last Days of Pompeii. 3.30 pm The Last Days of Pompeii. 3.50 pm The Last Days of Pompeii. 4.10 pm The Last Days of Pompeii. 4.30 pm The Last Days of Pompeii. 4.50 pm The Last Days of Pompeii. 5.10 pm The Last Days of Pompeii. 5.30 pm The Last Days of Pompeii. 5.50 pm The Last Days of Pompeii. 6.10 pm The Last Days of Pompeii. 6.30 pm The Last Days of Pompeii. 6.50 pm The Last Days of Pompeii. 7.10 pm The Last Days of Pompeii. 7.30 pm The Last Days of Pompeii. 7.50 pm The Last Days of Pompeii. 8.10 pm The Last Days of Pompeii. 8.30 pm The 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## THE ARTS

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## Television

## No time for the silly season

by ARTHUR SANDLES

The coincidence of headlines about industrial unrest in Poland and chilling pictures from Granada's reconstruction of events in Czechoslovakia in 1968 (TV last night) was all too ominous. The silly season is not quite as silly as it used to be. Or was it ever? Cynical observers of media history are apt to recall that both World Wars started in the so-called silly season. This year even the nonsense of the Glorious Twelfth, a traditional territory of retreat for desperate news-desks, was squeezed from the front pages by French fishermen, American politicians, British crime and, of course, the Polish workers. In a summer when Israel makes Jerusalem its capital and unemployment reaches record levels who can spare time or space for the traditional summer foolishness of British humanity?

In many ways therefore the decision of the BBC to ignore the silly season and continue its main current affairs programmes on through the summer was singularly well timed. In particular the continuance of *Newsnight* on BBC 2, a programme which is extraordinarily slotted at a time when insomnia is seeking their nightly dose of horror movies, has proved a worthwhile gamble.

After the disarray of scarcely a year ago the BBC current affairs division has found its feet again. The setting up of *Newsnight* produced considerable strains on an organisation whose morale, thanks largely to overstretched corporation finances, was already low. The first months of *Newsnight* suggested that the battle will have been for naught. More recently, however, it has been proving its worth, and notably during the coverage of U.S. political conventions.

The beaming in of sizeable chunks of Senator Kennedy's charismatic address to a patently captivated audience is but a sample of an audio-visual news wonderland which is beginning to open up. If you think there is already too much news, current affairs and documentary material on television, then you ain't seen nothing yet.

Communications satellites and light weight Electronic News-gathering equipment (the much-

debated ENG) are rapidly putting power into the hands of television news departments which was hitherto undreamed of. It was not so long ago that pictures of American convicts had to be filmed and flown to London, or piped down telephone lines and unscrambled from the U.S. TV system to the British. These lengthy processes can now be achieved in seconds by pressing a few buttons.

The television companies are increasingly able, therefore, to mount lengthy news and news analysis programmes which use fresh material. The facility does not always, of course, translate into fact. Union problems over the new techniques involved, the increasingly blurred lines between news and feature material and the sheer unwillingness of television companies to devote large areas of prime television time to news are all obstacles in the way of full exploitation of the resources which are becoming available.

The other obstacle to proper use of news-gathering resources is money. Keeping even a lightweight ENG television crew in the field is an expensive operation and television companies are increasingly driven to use material produced by these crews regardless of its eventual value simply because the financial commitment has been made. The average Fleet Street newspaper newsdesk is almost profligate with its use of its own writing resources (and much more so with agency and freelance contributions) in the knowledge that by vast over-commissioning it will have the luxury of picking and choosing stories for the next day's paper. Already British television is in a position where it finds it difficult to make open-ended commitments to keeping crews abroad, for example, in the hope that eventually there will be a story.

The big question, of course, is whether the British viewer actually wants more news and current affairs, whether in the summer or winter months. Do we all have an optimum information level at which we reach but and tune to *Sale of the Century*? That particular question will be put to the test within the next couple of years when the eager beavers to be so enthusiastic about breakfast



Red Army paratroopers burst into a Czech cabinet meeting in a scene from Granada's drama-documentary 'Invasion'

television will have to put their money where their mouths now are.

But if there is a level beyond which we do not want to hear any more news then I doubt very much if we have reached it. British television companies in fact seem to believe that news and news-related material is something that antagonises viewers rather than attracts them. Nowhere is that more vividly demonstrated than on Sundays. On this day, when the British public receives its fastest newspapers and can hear one of its best radio news programmes, BBC-1 can only manage a total of 25 minutes of news, and that in three sections, in a day which lasts from 9.00 am and goes on until after midnight. As far as ITV was concerned, last Sunday the world could have been closed for most of the day, the first (10 minute) newscast being at six in the evening overlapping, inevitably, with that on BBC-1. A luxurious 15 minutes (less advertising) came at 10.30. The thought of the full resources of ITN straining all day to

produce such thin coverage smacks of contempt for the viewing public—not on the part of the network schedulers rather than ITN itself which would, I suspect, love more time.

One is led unerringly to the view that news, current affairs and documentary departments must be driven much closer together if the viewer is to be properly served. The BBC has gone some way towards this. For ITV the task is vastly more difficult since ITN is normally only allowed to do news, and general feature work is left to the individual companies. If there is a demand for weekend reflection on current events as both newspapers and radio appear to believe there is, then ITN is certainly not equipped to meet it. The viewer is offered either lengthy researched and carefully prepared features of the *World in Action* ilk, or snappy ITN newscasts. If breakfast television changes all that then we may have some reason to cheer, although newspapers may have to look to their circulations. In spite of all that carping,

however, for what is supposed to be a season for light-weight offerings, the past mid-August week has seen a reasonable crop of news and newsy material. It all culminated last night with *Invasion*, Granada's lengthy backwards look at Czechoslovakia and BBC-1's gentle toying with the subject of homeopathy.

The real prize must surely go, however, to the BBC2 *World About Us* film on Sunday—*Osprey*. As an aloof viewer one could regard with disdain the near 1m people and most of the Royal Family who, we were assured, have made the trek to see these magnificent birds who have returned to Scotland after being harried away by Victorian ornithological enthusiasts. The filming was superb and Brian Jackman's script graphic but concise (even if the last few lines of moralists could have been cut without loss).

If the silly season is meant to be a time when we can reflect on things other than Westminster, then *Osprey* is the sort of stuff that summers should be made of.

## Cottesloe

## Line 'Em

by B. A. YOUNG

"National Theatre — union-bashers" says the writing on the wall, the wall round the adjacent car-park, that is. But the pickets aren't at the stage-door, they're on the Cottesloe stage in Nigel Williams's new play, *Line 'Em*. Legitimate six to begin with — Sam (Eric Mason), the true Party-member organiser; Chaser (Bob Grant), old and reluctant; Jacko (Jack Chissick), who communicates only by means of anecdotes; Dolores ("Zoot" Money) and young Lon (Tony London), who have little to say, and Foreman (Daniel) in his best Cockney, but will join one side or the other.

Throughout the first act they fuss what to do if the Army comes to open the gates of the

factory. That is to say, they discuss more or less anything, in well-observed foul-mouthed language; Foreman in particular, who is even more talkative than the garrulous Jacko, can find matter in seagulls and O Levels and Fulham FC and his father to keep him rattling on, and one of Mr. Williams's main mistakes is that he believes that people would actually listen to him, especially when we are told that the strike has already been going on for ten weeks. Then, unifying such as decide to stay on the picket-line, and some don't, a jeep full of soldiers arrives on the scene.

Whoever has organised this military intervention has done it with little idea of how such things should be run. When the troops come—one officer, one

sergeant, four armed privates—their orders are simply to open the gates, although no trucks are expected for an hour. Having failed to do this by persuasion, they do it pointing their guns about. Initially this causes five of the original six pickets to desert, but we then come to the bit that Mr. Williams has obviously been working up to all the evening, when Foreman, who gives his name to the officer (and I can write this without embarrassment, for it is the name of a shop in the King's Road) as R. Soles, concentrates a barrage of insult on one of the soldiers.

The soldier first threatens everyone with his rifle and then breaks down. By the time the picket-line has been reduced to the single

person of Sam, and the sergeant has pushed the unlocked gates open, you'd think the Army had won. But no. There is a distant sound of heavy goods vehicles; Sam rallies his comrades, and the line reforms across the open gates. What they do when the trucks come, escorted (as we are told they are) by police, is another matter, but Mr. Williams doesn't take his play that far.

Frankly I didn't believe a word of it. I didn't believe in the pickets or in the soldiers; they're about as convincing as Punch and Judy puppets. It was agonising to hear them wasting so much talent on such nonsense. Christopher Morahan is the director, and the design (tall metal gates in a tall metal fence) is by John Bury.

## Albert Hall/ Holy Trinity, Brompton

## Sacred and profane

by PAUL DRIVER

Monday's Promenade venture was one of those bipartite affairs much favoured by the planners in recent years, in spite of logistical problems created for the eager who would attend both concerts and have barely half an hour to find the second venue.

The first part was mounted by the BBC Welsh Symphony Orchestra under its principal conductor Bryden Thomson—a rather underrated figure, perhaps, who has a natural musicality and technique not to be ignored. The programme posed a Scandinavian first half against a Russian second. The orchestra seemed distinctly more comfortable with the second half.

Chalkovsky's early fantasia on *The Tempest* (written between the second and third

symphonies) received the strongest performance of the evening, yielded its simple story vividly. It is but a paper-tracing of the Shakespeare, of course, ardent, clear; though the way Caliban's theme is swelled into the climactic return of the love music does afford some subtlety.

Howard Shelley, well supported by the orchestra, gave a faultless account of Shostakovich's second piano concerto, crisp and caressive by turns. Its slim alliterative glamour is not for me, however. How quickly one tires when Russian composers start to make mischief, how crass seems Shostakovich's dapper side-drum when it inevitably appears! Nielsen's *Helios* overture which began the concert is a much more rewarding piece although a

little gauche by comparison. It is worth playing more often for the opening aubade alone.

The players just about had the measure of the Nielsen; the intense concentration required for Sibelius's fourth symphony escaped them completely. The viola section consistently slighted its frequently important tasks (the solo in the finale was a disgrace); the harrowing strings monody of the first movement's development had not an acute focus, and the tremolando figures to which it gives place were needlessly, lumpily accented; lower pitched were simply bashed out; the scherzo was taken too slowly, and its lines were not bright enough in the first place for their tritone denaturing, to become sufficiently threatening. And so on. This masterpiece

needs more accuracy, absorption and intelligence than practically anything else in the repertoire, if its cutting edge is not to be blunted.

An hour-and-a-half of devotional settings by English composers from Byrd to Berkeley made an abrupt contrast in the recital given by the BBC Northern Singers under Stephen Wilkinson at Holy Trinity—a new location for a Prom, and a beautiful blue and gold one. Performances were excellent throughout and though the programme was long it was well arranged. The best things were two Italianate, raw and fresh anthems by the little known George Jeffries (d. 1885) and Holst's hushed, astringent motet *The Evening-watch*.

## EDINBURGH FESTIVAL

## Popp, Ousset, Gilels

The bread and butter of Edinburgh music-making is its morning and afternoon recitals. That seems a rather plain way of describing the Monday morning concert (in the beautiful Queen's Hall, itself a festival experience for the visitor) by Lucia Popp, deftly and sensitively partnered by Geoffrey Parsons. The Czech singer, just now in her prime, has not always matched the various skills of the recitalist to the natural pleasures afforded by her bright, quick-speaking soprano. I remember a Wigmore Hall appearance, several years ago, in which the discrepancy between promise and fulfilment stretched disconcertingly wide.

The programme on this occasion was cleverly planned to draw out without delay Miss Popp's best qualities. Prokofiev in Russian (though perhaps a dramatic timbre was missed in the low register), Kodaly in Hungarian, and some heart-easing Dvorak in the singer's native tongue all found out the Slavic plangency in the tone, and allowed her ability to be touching, sincere, and free of artifice immediate expression. The recital was in major part a "folk" experience; the above composers supplied settings of folk songs, each in his own inimitable mode, and in the second part Mahler and Brahms each revealed their own quite distinct and more complicated attitudes to popular sources of inspiration. It is a concert singer and pianist should be invited to repeat—slightly

lengthened, perhaps—in London, for it both cohered and delighted to an unusual degree.

Bread and butter describes even less aptly the recital given by Cécile Ousset in the Freemasons' Hall yesterday morning. In a programme of Chopin, Liszt, Debussy and Saint-Saëns, hardly a note did not sparkle; Miss Ousset is a formidable virtuoso, one of the most completely equipped pianists of the day, and, more important, a musician of precise and wonderful gifts. Rare indeed to hear Chopin (F minor Ballade, the *Andante spianato* and *Grande Polonaise brillante*), so truly brilliant, devoid of sentimental mooning, the polonaise rhythm sprung as though its origin in the dance had not been muffled by a century and a half of specious romanticism. There is nothing in the least clouded about Miss Ousset's virtuosity; it is as clear as Mediterranean sunshine, and quite as exhilarating.

More than one view is possible of the pianist's evident desire to let the melodies of Chopin and Liszt speak for themselves, in that frank, uncluttered way that is one of the prizes of the best French schooling. For her prodigiously subtle Debussy after the interval there could surely be only gasps of admiration. Again, the steel-solid rhythm of the dance formed the foundation of "A Night in Granada" (one of the Preludes, climaxed by the most

glittering performance of "Fireworks" I have ever heard, live or on record, showed how completely Debussy thrives on the highest kind of pianistic virtuosity.

The second of the Philharmonia evening concerts in the Usher Hall, on Monday evening was planned, if not fully experienced as a grand festival event. Muti's account of the Jupiter Symphony, clarified in every strand, poised and (in middle movements) beautifully lyrical, lacked nothing except cumulative splendour. In the no less heavyweight second half Emil Gilels was the soloist in the Brahms B flat Concerto. The sovereign breadth of phrase and tone could still be appreciated despite the unusual frequency with which those majestic fingers misfired (there was a major memory lapse in the second movement). I could discover few touches of the enlivening poetry that this work so sorely requires in his conception of it—a heavy double-octave plunge in the D minor depths of the scherzo stood out as a moment when the detached grandeur of the piano part temporarily quickened into warmer life. Conductor and orchestra, on their best behaviour as accompanists, were perhaps inhibited by the unexpected fallibility of the soloist from realising to the full the challenge that should be offered to the pianist.

MAX LOPPERT

## Purcell Room

## Flute and violin

There are times when it is difficult to escape the conclusion that some South Bank Summer Music programmes, are assembled by sticking a random pin into the appropriate catalogue of works. On Monday, for example, in a short, early-evening recital, Eugenia Zukerman played a Bach flute sonata, Jaime Laredo Stravinsky's *Suite Italienne* in its version for violin, while as make-weight Mrs. Zukerman added an early and unremarkable piece by Oliver Knussen. Other than that Bach is the featured composer, and that Stravinsky's *Soldier's Tale* is part of the festival's music-

theatre season, the planning was hard to fathom.

Harder still when the Bach sonata (in E flat, and dubiously by Bach anyway) was presented in quite such a tasteless performance, devoid of ornaments and with the keyboard part played heavily-handedly on the piano. What could be heard of Mrs. Zukerman above Marc Neikrug's attempt at the accompaniment sounded bland and even-toned; that the tempi appeared to fluctuate for no obvious reasons was disturbing. Knussen's *Masks* was written in 1968-69 when the composer was 16. The idea of the interaction

of two contrasting musical characters, one slow and languid, the other scherzo-like, is well articulated, in a brighter, more alert performance the effect could be sharper.

Mr. Laredo and Emmanuel Ax finally gave some point to the recital. The *Suite Italienne* is simply regurgitated numbers from Puccini, the strange-most originally made by Stravinsky to perform with Samuel Dushkin. Mr. Laredo developed a healthy raw tone for the occasion. Mr. Ax was precise and lively.

ANDREW CLEMENT

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## Savers and the house market

THE NEWS that the authorities are studying ways of attracting a much bigger flow of personal savings into the public sector, presumably through national savings instruments of one sort or another, is most welcome—as far as it goes. The question is, as it always is when policies in this market are reviewed, how far it is likely to go. Sooner or later, and usually sooner, somebody observes that any success is likely to be at the expense of the building societies, which might result in higher mortgage rates, and that is usually the end of the discussion. This time, the discussion ought to go further.

## Lagged behind

The arguments for a new effort to build up small savings are compelling from the point of view of national financial management. Rising inflation and rising interest rates have led to far more than proportionate increases in both personal saving and public borrowing; but the public sector's access to small savings has lagged far behind this growth. As a result, the public sector has had to lean more and more heavily on the central capital markets, driving commerce and industry into the arms of the banks. This has been a major force accelerating the growth of the money supply, and has operated still more strongly as the current recession has deepened, paradoxically, since price controls and falling sales have inflated distress borrowing.

## Money supply

A really determined drive for personal savings could alter this picture radically. If the Government were able to reduce its gilt issues by, say, £2-£3bn, it would take a far smaller proportion of the cash flow of the savings institutions. This should help to bring long-term interest rates down to the point where companies could begin to fund part of their bank indebtedness. This funding would contribute directly to the control of the money supply, deflating both the liabilities and the assets of the banking system without any resultant strains in the capital

markets. This "virtuous circle" of financing would in turn help to bring down short-term interest rates, helping both industry and mortgage holders. Initially, of course, any success with national savings might be largely at the expense of building society deposits—though it should be remembered that the banks, too, are active bidders for personal savings. In an already depressed house market, it might seem perverse to tighten the supply of housing finance. However, this issue needs to be seen in perspective. Only a decade or so ago, the sum outstanding in national savings was roughly equal to the balance sheet of the building society movement—and as recently as 1968, the movement held a larger proportion of total personal savings. A few years of bipartisan efforts to protect house purchasers from the financial climate has transformed the balance; the building society balance sheet is now nearly four times that of the national savings movement. The present structure is the result of a massive distortion.

## Mobility

The size of the distortion means that the balance cannot quickly be restored, but that is no reason not to make a determined start. One result of the recession is that the demand for mortgages has fallen more rapidly than the supply, so that some reduction in flow could be sustained. However, even an appeal to savers determined enough to create real stringency in the mortgage market would hardly be a disaster. A break in house prices—a normal result of recession in most countries—might reduce the overwhelming appeal of property as an inflation hedge, but this would be no bad thing for other markets. The houses would still be there, and lower prices would actually help labour mobility. A measure that could bring substantial relief to industry at the cost of a little disappointment for house-owners and might, in the slightly longer run, bring down mortgage rates—should not be shirked.

## Plain sailing in Australia

THE AUSTRALIAN Treasurer, Mr. John Howard, has produced a budget showing great confidence in the future of both the country and of the Liberal Country Party Government of Mr. Malcolm Fraser. Besides the expiry of an income tax surcharge, long planned for June 30, last, there are no obvious gifts to voters. That fits in with widely held view making Mr. Fraser the favourite for the forthcoming elections. He must go to the country by March, but may do so as early as October.

## Surplus

There are no increases of consumer excise taxes. For the corporate sector there are enhanced depreciation allowances, which will not reach their full effect before the mid-1980s, though the yield of company tax is expected to rise quite steeply this year.

A main factor enabling Mr. Howard to table a budget with a tiny domestic surplus, though there is an overall deficit of \$1.6bn or £780m if overseas transactions are added in) is the levy on home-produced oil. Australia produces about 70 per cent of the oil it uses, which is sold to consumers at world prices.

The price to producers is lower, the difference being mopped up by a levy which flows into the Commonwealth Treasury. In the financial year to June 30, 1980, that levy yielded \$2.3bn. In the current year it should yield \$3.2bn if the world price remains stable. If it rises, or falls, the yield of the levy would follow.

Oil is only a part of the Australian energy story. The country has 17 per cent of the world's easily accessible uranium, and the coal deposits are said to be enough for 1,000 years. So there is a base for rising exports of coal and for generating growing amounts of electricity. That prospect has encouraged the aluminium industry, with its great need for low-cost electric power, to plan a number of new ventures in Australia.

## Inflation

Taking energy in all its forms, Australia is one of the few industrialised countries with a surplus available for export. In 1977 it came to 22m tonnes of oil.

as 290m tonnes have been published. All of that adds up to good reason for confidence in Australia's long-term future.

In the shorter term, however, the Fraser Government is worried about inflation, and in particular about wage increases. Prices have been rising by about 10 per cent per annum, and the forecast for 1980-81 is fractionally higher. Mr. Howard is pleading with the official Arbitration Commission, which twice a year recommends wage increases, to make what he calls more economically rational awards than in the past.

The awards, which are binding upon employers as a minimum, but not a maximum market, have risen from 61 per cent in 1978/79 to 83 per cent in 1979/80. In the current financial year Mr. Howard expects them to reach 113 per cent. The competitive position of Australia, nevertheless, appears to have been improving, judging by a healthy increase in the volume of manufactured exports.

In the longer run, the firm resource base of the economy, coupled with capital inflows to develop these resources, may raise problems such as those that Britain has met since becoming self-sufficient in oil. The Treasury Secretary, Mr. John Stone, has suggested that eventually Australia may have to reduce the protection at present afforded to manufacturers in order to counteract these inflows of money.

## Dismal cycle

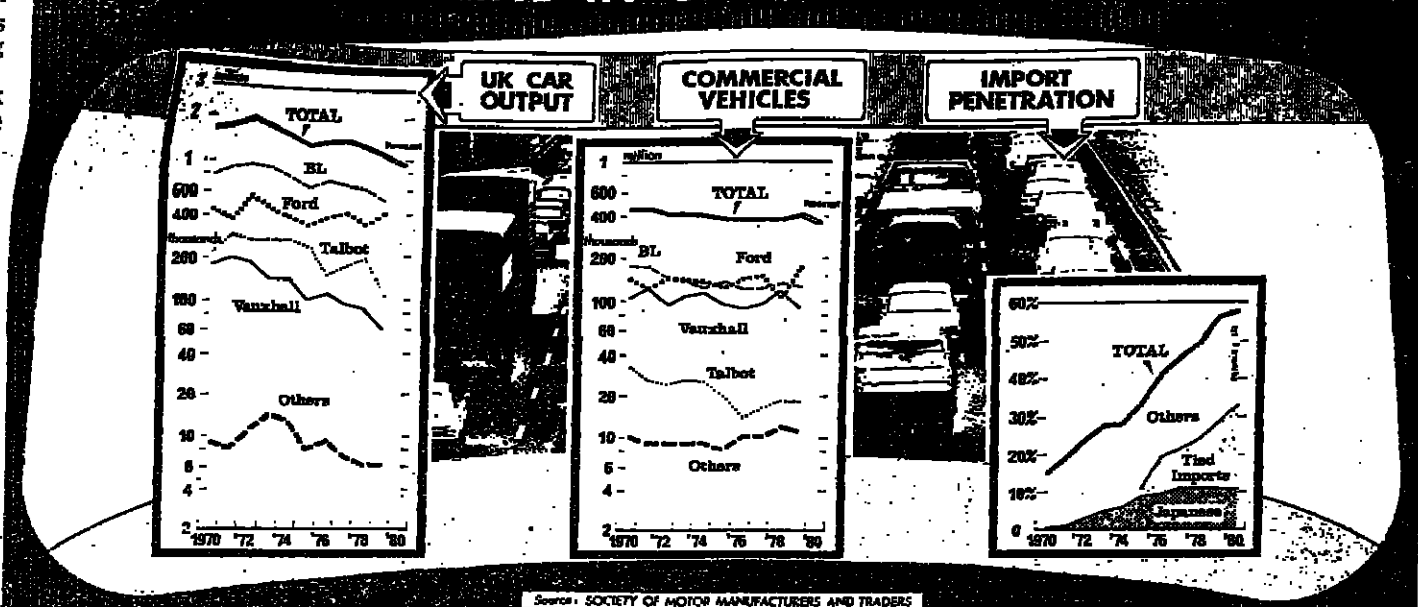
Clothing, footwear, and the motor industry are the main beneficiaries of protection. There is no evidence at present that the Government is ready to listen to Mr. Stone, not least because manufacturing provides more jobs than digging up raw materials.

Against the background of the country's resources these may seem to be matters of detail. But some caution is necessary. In the short run the world recession, unless it proves lighter than initially feared, may delay the development of Australia's mineral wealth. In the longer run, excessive dependence upon raw materials can expose a country heavily to the dismal cycle of boom and bust, not to mention political decisions taken elsewhere: the exportation of much of Australia's market for food in the European Community is a case

## Britain's car industry: the struggle ahead

By KENNETH GOODING, Motor Industry Correspondent

## DECLINE IN UK MOTOR OUTPUT



shareholder, to put up more money so that development and production of the medium-car range can be completed.

It could be argued that the recent decision to provide De Lorean, the Belfast-based, American-owned sports car concern with a further £14m loan in addition to the £56.6m already pledged, shows that the UK Government is still willing to invest in the car business if the owners are reasonable.

BL desperately needs to regain lost ground in car export markets. As a group it has certainly suffered from the high value of the pound compared with other trading currencies and from a combination of high interest rates and high inflation in Britain. But this has impact mainly on its truck, bus and Landrover businesses as far as exports are concerned.

These factors have exacerbated BL's dire problems in the U.S. where many of its car dealers are now threatening to give up their franchises. There is nothing in the product pipeline which would be likely to

ing will become much more difficult and competitive because the developing countries, which offer the fastest-growing markets, will demand at least local assembly by any manufacturer interested in building up business.

So BL needs a "home" market as big as the EEC—not just Britain—if it is to claw its way back from last year's output of 504,000 cars towards the 1m mark again.

As for productivity, BL hopes to show what can be done at the reshaped Longbridge plant where, if the targets are achieved, output per man would reach Japanese standards by 1981.

Like BL, Ford is relying heavily on robots to help improve productivity. Within three years Ford will have between 350 and 500 robots in its European plants—to encourage managers to switch to automation, the required return on investment for these projects has been cut by one-third.

Mr. Bill Hayden, Ford of Europe's vice-president of manufacturing, has given a warning to the unions that Ford and other European car companies have about six years in which to improve productivity "or we will be inefficient and the Japanese will kill us."

Mr. Hayden says that plans are being drawn up on the basis of a drop of 40 per cent in the time lost in labour disputes at the UK plants. Ridding the shop-floor of demarcation rows and vastly improving the flexibility of labour are at the heart of the changes Ford wants to introduce. Ford has begun to implement these dramatic changes. BL is also on target with its massive programme of job cuts and accompanying changes in working practices aimed at improving productivity.

In spite of past threats by Henry Ford that the group would quit Britain, all the evidence points to Ford's determination to stay. Ford has always argued that it planned its European operations so as to produce a favour-

able balance of trade for Britain but in the past has been thwarted by low output from its UK plants (often caused by industrial disputes). This necessitated importing more built-up cars than expected from the Continent. Ford reckons it has the capacity to produce 500,000 cars a year in the UK but output in 1979 was only 302,000.

The group does not mention the fact that the UK is a good place to make profits because corporations are taxed relatively lightly.

But Ford's problems in the U.S. underline that the difficulties in the coming decade will not only affect BL. Although Ford faces the prospect of losing \$2bn to its North American automotive operations this year, it hopes to struggle on without being forced, like Chrysler, to seek financial help from the Government or other sources. But Ford has had to cut its capital expenditure programme to cope and some observers are worried that this might be mortgaging the future for short-term reasons.

Any more cuts would reduce BL to a specialist concern

Ford is relying on robots to improve productivity

In Europe Fiat is to be the major recipient of the Italian Government's £760m aid for "troubled industries" and the group's withdrawal from majority ownership of SEAT in Spain has left the Spanish industry in disarray.

And in France the unexpected severity of the recession is putting even more pressure on Peugeot SA as it struggles to assimilate Chrysler's former European operations—now renamed Talbot.

Ford has already been reasonably successful in changing itself into a pan-European organisation. But it could still be said that Ford needs the UK

as much as the UK needs Ford. Even in this recessionary year car sales in Britain are forecast to reach 1.5m, well below 1979's 1.71m but still the third-best since 1973 and 250,000 above the 1974-77 average. The UK therefore remains a major European market (topped only by Germany, 2.82m and France, 1.976m in 1979) and the one where Ford has the biggest share.

Ford's importance to Britain is amply illustrated by the recent good news from the motor industry—which like most positive news raised scarcely any interest. Britain's trade balance in motor products swung back into the black during the second quarter of 1980 after 15 months in deficit.

There was a \$72m surplus for the quarter compared with a £128m deficit for the first three months and one of £287m for 1979 as a whole. Last year was the first time that the motor industry account had gone into the red.

The main factor was Ford's decision to supply the UK market mainly with cars assembled in Britain.

Sir Terence Beckett, Ford UK's chairman, spelled out the details to a committee of MPs. Imports of Continental-built cars would be cut to 50,000 in the second half of 1980, against 146,000 in the first six months and 113,000 in the second half of 1979.

Sir Terence assured a Commons Select Committee that "the balance will be very much in Britain's favour" after Ford launched its Escort replacement in Europe this autumn.

A less UK-oriented strategy is being employed by General Motors, which is using Opel in Germany as its prime car producer. Its major European expansion programme is centred on Spain. Vauxhall in Britain seems ultimately destined to become an assembler of Opel kits, although the present Vauxhall management team would strongly deny that is the intention. As for Talbot UK, its future

is inevitably tied up with Peugeot SA's ability to come through its current problems. Mr. George Turnbull, chairman of Talbot UK, argues vehemently that his is a "British" company. "We employ 20,000 and directly affect the jobs of a further 100,000 people in Britain as well as spending over £400m with British companies for component parts. Talbot is an essential part of the industrial future of the UK," he insists.

If Mr. Turnbull and his team achieve the objective of breaking even this year after a \$40m loss in 1979, Talbot UK's future might be a little more secure. And the 7 per cent market share it has in the UK remains an attractive proposition.

But Peugeot SA decided to rationalise itself into two instead of three marques (dropping Talbot and keeping Peugeot and Citroën) because of the difficulties Talbot is having in France, the UK end of Talbot would take as much of a jolt as the French part.

The Society of Motor Manufacturers and Traders recently summed up the reasons for the decline of the UK motor industry—again for a committee of MPs.

It blamed "the use by Government in the latter part of the 1960s of the industry as a regulator for the economy, which resulted in an artificial contraction of its home market and a consequent lack of profitability, which prevented generation of capital for investment in modernisation and new models."

"A high level of industrial unrest, already in the 1960s but particularly severe in the 1970s which resulted in lack of profitability, low productivity, unsatisfactory quality and failure to meet agreed delivery schedules."

And the gradual removal of tariff protection from the British home market at a time when the industry's competitive position was being weakened by its role as an economic regulator and by industrial unrest."

Governments no longer attempt to fine tune the economy by changing the terms of

hire purchase on cars. The removal of tariff protection within the EEC has been completed.

What remains to be tackled is the question of industrial unrest in the UK industry and low productivity. It is particularly important that BL and Ford get these sorted out. There are increasing indications that employees in the industry are taking a more realistic view of the ability of any company to withstand the effects of perpetual industrial strife. How much or how quickly this attitude will change during the next upswing in demand remains to be seen.

## MEN AND MATTERS

## Amdahl's back on the circuit

Ten years ago, Gene Amdahl walked out of IBM after a 14-year career in which he rose to become director of advanced computer systems, to start the fast-growing Californian computer company which bears his name. Now, after a year of ill health which forced him to relinquish executive duties at Amdahl Corporation and come to London for back treatment, he plans a return to the fray with another new company and, he says, a host of willing backers.

The growth of Amdahl Corporation over the last decade from a fledgling in 1970 to \$14.4m sales in 1979 to \$300m sales in 1979 is an undeniably impressive testimony to Amdahl's abilities. But is he not, at 57, biting off rather a large mouthful? "I come from a very long-lived ancestry, and I'm at the prime of my life," comes the reply from Sunnyvale, California. "It's an exciting thing to do, and I'd like to climb another mountain."

The decision to start the new company came, Amdahl tells me, during his period of enforced rest. "I began thinking, because I didn't have anything else to occupy my mind. I didn't have much stock in Amdahl, and there were lots of things which, if I were given the chance to start again, I would do differently." The still-unnamed venture will, he promises, have "an orientation much more towards what I think is optimal for the future." It will, he says, be turning out very large high-performance computers particularly suited to scientific calculations.

Amdahl brings with him his former senior vice-president and chief financial officer Clifford Madden. The present base is Sunnyvale, but Amdahl is eyeing the incentives offered by most European nations to new high-technology businesses. The company will, he says, start out life on a relatively small scale, with backing from "people with



related interests" supplementing his own considerable investment.

There is, Amdahl claims, amity between himself and his namesake company, from which he resigned as consultant and chairman emeritus on Friday. "They didn't appreciate I was going to do this, but that would be the sole friction," he concedes.

But he stresses he is not walking out of Amdahl Corp with inside knowledge of confidential technology. And that raises another question already being voiced among doubting New York analysts: after a year out of the game, will it not prove impossible to get back ahead? "I hope the competition thinks so," is his untroubled retort. "On new technology, combinations of technologies, semiconductor packaging, cooling, power, we can be far ahead of things."

## Plane cooking

The critical evaluation of in-flight catering by the Egon Ronay Organisation last year pales beside the torrent of criticism now descending upon the Civil Aviation Administration of China. The People's Daily reports that those who dare to

fly China's only airline are allegedly risking hunger, thirst and sleeping in the streets. Reader Xi Wan wrote that the service is "backward," the staff "tell lies," and CAAC's conditions are "notorious throughout the world."

According to Wan, CAAC's planes not only take off late, but—a novel twist—also take off early, leaving passengers behind. Passengers are not fed or comforted, he claimed, stewardesses are rude, and passengers generally are treated with "relentless indifference."

## Listening in

While most Government Ministers are off and sunning themselves, the Earl of Gowrie, I can reveal, still wakes early each day and goes straight to work. Lord Gowrie, Junior Minister at the Department of Employment, tells me he is up at the crack every morning to monitor BBC radio's Thought for the Day.

Following a recent homily from Westminster Abbey's Canon Trevor Beeson, the Earl has joined a long and prestigious list of politicians—including certain Prime Ministers—who suspect that the religious affairs broadcasts may be being used for political propaganda.

The Canon, basing his dawn sermon on the July job figures which showed the biggest rise in unemployment since the war, offered a dissertation on the "theology of work"—a talk which left the Minister with the distinct impression that the Government had been accused of behaving in a non-Christian manner by deliberately throwing people out of work. He was, he tells me, "unhappy at the implication that anything but demand management was sinful," and assigned an aide to produce a transcript.

Having read it, however, Lord Gowrie seems to have concluded that there was nothing he could do at the moment. Still, he warns, he continues to listen with "a razor ear." And there are others among his staff who find much to ponder in the

morning mini-sermons. There is a forceful clique of advisers, for example, which believes that Ministers (of the lay variety) should be given air time to reply to politico-religious talks.

And then there are others at the DoE of a more receptive turn of mind. Like the Ministry of Agriculture, which asked Canon Beeson if he would agree to call in to enlarge to them upon his broadcast views.

## Taking Mickey

A heady dose of western hedonism is now on offer to fun-loving Russians with the opening of a Disneyland-style amusement park near Leningrad. The place to go when the kids are fed up with the Hermitage is "Andersengrad," named after the Danish storyteller and located in the Sosnovy Bor resort area.

The debt to the late cineaste of California was acknowledged by Moscow Radio when brutting the new venture, which was said to resemble "the famous Disneyland." It features castles, sports grounds for the rigorous-minded, and a swimming pool, spread across five acres.

I advise you against too precipitous packing of hip flasks and winter woollies for the 5,000-mile weekend drive, however, since the park is in an area traditionally closed to foreigners. This may be because it numbers among its neighbours a nuclear power station. But, lest you protest at this sad deprivation, I should note that parts of America, including much of California, are closed to Russian tourists. The sooner this sort of thing stops, the more fun we can all have.

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# Iran's Mullahs tighten grip—for now

**PATRICK COCKBURN**, just returned from Tehran, examines the state of Iran's revolution and poses the question of whether the shift of power towards the Mullahs is permanent

"WE WANT Islam, we want nothing but Islam," Ayatollah Khomeini said recently attacking all politicians and officials who have tried to rule Iran since the overthrow of the Shah 18 months ago. The revolution, he says, was not about houses or jobs or any material goal. Its martyrs died on the barricades in Tehran, as they do today in the mountains of Kurdistan, to build the first truly Islamic State on earth.

To establish the reality of this vision, the Islamic Republic of Iran, led by Ayatollah Khomeini, is now a theocratic state ruled by 200,000 Mullahs with the mosque the true centre of authority. Does the dominance of the clergy-led Islamic Republic Party (IRP) in Parliament reflect the true balance of power in Iran?

For some of the Mullahs the question is worrying. What, they ask, happens after Ayatollah Khomeini dies? They know that side by side with his popularity there is a mounting tide of anti-clericalism which is not confined to the educated and the middle class. Gratifying though it is for many of the clergy to bask in the reflected authority of their leader, will this last after his death? Ayatollah Khomeini himself seems to be vaguely aware of the problem. For 300 years, he said last month, the clergy were told to stick to teaching and the mosque and keep out of politics; many now have reacted by turning full time politicians.

It is true that the central thrust of the attack on the Shah in 1978 came from the mosque. As he sat in exile in Iraq and later Paris the very elusiveness of Ayatollah Khomeini's views enabled him to become the focus of a very diverse opposition movement. Organisation of demonstrations was largely spontaneous. All people needed to know was that the "Islamic Republic" was the opposite of the Shah's regime and that it was theirs for the taking. The difficulty is that most of

the Iranian clergy are not truly "revolutionary" in the sense that Ayatollah Khomeini is. A catch phrase of the western media is to the effect that "Khomeini is bringing Iran back to the fourteenth century." Nothing could be more misleading. His egalitarian Islamic populism has few parallels in Moslem history in Iran or anywhere else. This partly explains its potency. The sense of cultural inferiority, an aspect of which was the Shah's aping of the West, is replaced by the certitude of a revived Islam.

The wealthy, Government bureaucrats, the powerful of all sorts are denounced as "Satanic," barred by their very nature from an egalitarian community of the faithful.

In the socially and culturally fractured countries of the Moslem world, Khomeini's ideology allows the most reactionary Mullah from an up-country village to unite with dissident intellectuals with degrees from Yale and the Sorbonne against the powers that be.

Yet Khomeini remains a curiously isolated figure within the Iranian clergy. Many, such as the Islamic Republic Party, have been happy to fold his line around them. The other ruling Ayatollahs of the Shi'ite hierarchy have fallen silent. Even those who depend on Khomeini often find they are riding a tiger of whose direction they are uncertain.

The Islamic Republic Party has now successfully imposed a new Prime Minister on President Bani-Sadr. It will nominate most of the new cabinet. Every day its power increases as the civil service, army and profes-

sions are purged of its enemies. IRP leaders, such as Ayatollah Beheshti and Hojatolislam Akbar Hashemi-Rafsanjani, are mainly clerical. The question of whether Iran will be a theocratic state after the death of Ayatollah Khomeini will primarily depend on their success.

Their rise to power has been rapid. The moderate nationalists of Mehdi Bazargan's Government were destroyed by the occupation of the U.S. embassy in Tehran last November. Rather to their surprise they discovered that Ayatollah Khomeini did not believe that the revolution was over and he said it had hardly begun.

Having won the Presidential election Mr. Bani-Sadr attempted to synthesise his vision of a modern state well served by technocrats with the concept of an Islamic Republic. It did not work. Why has nothing changed 18 months after the revolution asked him in June? If the 850,000 civil servants did not like the Islamic Republic, and most of them do not, then they could be replaced.

The universities were finally closed at the beginning of June. A month later, after an abortive coup was crushed, the purge of the army was speeded up and 64 officers have been executed so far. Revolutionary institutions such as the revolutionary guards and special courts are taking over, replacing what was inherited from the Shah.

Radio, television and most of the newspapers are run by IRP supporters. Their coverage of the news is highly selective. Local reports of the arrest of Iranian students demonstrating in London recently left the impression that Genis Khan had been appointed Metropolitan police commissioner.

Indeed if there is one development on which nearly all Iranians are united it is on the inferior quality of their radio and television. Recent features included two hours a night of

excerpts from the world Koran reading competition in Malaysia. Last year Mr. Sadeq Oqabzadeh, then head of television and later Foreign Minister, infuriated viewers by interrupting programmes to deliver himself of hour-long speeches. He met demands for his dismissal by showing petitions for his retention signed by hundreds of thousands. Some doubt was thrown on the accuracy of these documents when he received just 47,000 votes in the Presidential election.

In addition to this control of the media the Islamic Republic Party uses the mosque as the centre of its power and influence. Sermons reach a far wider audience than the Press as the Shah discovered to his cost. To obtain permission to set up almost any local organisation in Iran today a letter from the mosque is needed and

this can be obtained only through the IRP. Despite all this the party's power is insecure. Though Ayatollah Khomeini has attempted to remain above the faction fighting, it depends too much on his support. They also fear that now they control the Government they too may become the target for his "attacks."

So far the unskilled workers in town and country have extracted major economic benefits from the revolution. Their wages, assuming they hold a job, have risen three or four times. For those who do not mind being paid in unconvertible rials there is a vast market for fridges, air-conditioning and even televisions. "I used to make 200 rials a day before the revolution, now I make 800, and I am glad the Shah is dead," remarked one labourer from the south of the city, neatly coupling



Islamic clergymen armed with automatic rifles march in front of the U.S. Embassy in Tehran.

his economic condition and political views. It will be extremely difficult for the IRP to cut the wages. Attempts to do so have met a militant response.

In south Tehran the dissatisfaction is greatest among the unemployed. One million Iranians, almost 10 per cent of the labour force, were employed in the construction sector in 1978. It is now almost totally stagnant. Some of these are still being paid even though they are not working. A massive housing programme would sop up much of the unemployment and meet a desperate social need. But there is a shortage of cement and steel already and much of this would have to be purchased from abroad.

This highlights a key problem the IRP will have to solve. Unable to cut back on wages, needing to expand the economy, it requires foreign exchange for imports which can only come from oil exports. Technically exports could be raised to 2.2bn barrels a day, but by raising its price so high in April Iran cut itself out of many markets.

Politically the leading clergy of the IRP need to crush their enemies now. So long as they did not hold power they could steal the political clothing of Left and Right at will in order to gain popularity. They could "follow the Imam's line" where ever it led. In power themselves they will be an easier target for their numerous but disparate enemies. Disputes between their own radicals and conservatives will diminish their numbers.

President Bani-Sadr has made clear to his friends that he wants no responsibility for the acts of the new administration. Instead he will try to act as something of an alternative government, sometimes a parallel power. The IRP needs to stop this by reducing him to a complete figurehead and destroying all other opposition organisations. Either the party monopolises power completely or it will find it difficult to hold it at all.

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## Gas costs for industry

From the Deputy Chairman, British Gas Corporation

Sir—Mr. W. Waldegrave, MP (August 14), comments on "High energy costs" in a reasoned and unemotional way. British Gas has consistently said that it is extremely difficult to establish one way or the other the real gas prices on the Continent in a reliable and comparable form. The variation in the movement and timing of contracts both here and abroad provide the possibility of using the data selectively to prove any particular case.

It must, however, be recognised that British Gas has to operate in the UK climate of energy price and has a duty to ensure that gas is not under valued and thereby wasted. Its market related pricing policy has ensured that gas has been used for those purposes which make the most of its flexibility, cleanliness and controllability. The present renewal prices for firm gas on contract will still be considerably cheaper than any of its competitors. To reduce these prices would cause, as has already been experienced, a demand largely for replacement of oil products, which could not be met, and would thereby restrict supplies to those processes where gas is really essential.

This pricing policy has been followed consistently since the introduction of natural gas over ten years ago. This was not the case in many other countries, but there are strong indications that gas prices on the Continent will rise pretty soon.

We understand, for example, that the Russians and the Algerians are quoted as asking \$6/per million btu's (about 25.5/therm) for new supplies; the Dutch are strongly seeking a substantial increase in their export price and the Norwegians are said to be asking for gas oil related prices. It seems clear, therefore, that Continental gas prices will increase substantially in the near future.

As Mr. Waldegrave points out, for us to get ourselves into American type energy problems, at a time when they are desperately trying to get out of them, hardly seems the correct course for the UK.

J. R. Smith,  
Riverside House,  
152, Grosvenor Road, SW1.

## Unreliable figures

From Mr. P. Spivey  
Sir—Your report on Mr. Norman Lamont's Parliamentary statement on gas prices interested me.

A copy of my end 1979 gas bill is enclosed and you will see that I paid DM 1083.37 for 2489 m<sup>3</sup> of gas. If an adjustment is made to calculate the cost of the higher DM 0.36/therm, the had been paid throughout the year the total cost including standing charges and tax would have been DM 1108.

2489 m<sup>3</sup> is the equivalent of 87,115 cu. ft. or 899.89 therms, therefore the cost per therm is DM 1.23 or 29p (at DM 4.25=£1) and this figure includes VAT at 12 per cent. Even allowing for exchange rate fluctuations the 39.6p figure quoted by Mr. Lamont as the lower gas price in Germany cannot remotely be reached.

I appreciate that the data were supplied by the EEC Statistics Office but surely

## Letters to the Editor

Ministers should check the credibility of information quoted in the House and not use figures overstated by nearly 37 per cent.

P. Spivey,  
Scharrenbroicher Str. 73,  
5064 Rösrah, West Germany.

## Monetary parable

From the Technical Officer, Chartered Institution of Building Services

Sir—Samuel Brittan's article of August 7, "A homely parable on monetary muddle," drew an analogy between the monetary system and a heating and ventilating system. While the Chartered Institution of Building Services makes no claim to be an authority on economics, we do possess some expertise in systems of the latter type.

A heating and ventilating system may be controlled in either of two ways. Automatic control, that achieved using thermostats, causes an automatic reduction in heat supply when a sensor registers a temperature higher than a predetermined value. With this type of control, thermostats are unnecessary except as a means of reassuring occupiers of the heated (and ventilated) space that the system is working correctly. Placing ice round thermometer bulbs has no effect on the system. Manual control is effected by employing an operator (Denis, Geoffrey or Tony) to monitor temperature using thermometers, and to adjust heat supply as necessary to achieve the same end of a comfortable environment. In this case, the thermometer is of great importance. By placing ice around its bulb, Gordon cunningly deceived it.

Mr. Denis and Geoffrey by creating the impression that the environment was more comfortable than the occupiers' own senses told them. In both automatically and manually controlled systems, heat supply is often adjusted by varying fuel input. There the analogy becomes shaky since the fuel input to a monetary system is made up of a number of contributions, such as market demand, wage demands and dividend demands.

The view of CIBS on the suggested remedies would be as described below.

The suggestion by Gordon's minions that the thermometer mercury levels should be manually controlled amount to an extension of the self-delusion instituted by placing ice around the bulbs. The same could be said of the suggestions that various other types of thermometer could be used, but mercury thermometers (at  $\pm 1$  degree C) are accurate enough.

The counsel of rival engineers that the system should be replaced could be acceptable, provided the management and occupiers are prepared for the expense and upheaval when equipment is replaced. Care, however, must be exercised in the choice of new equipment, and in the choice between manual and automatic control. The latter would be favoured for a very sophisticated system.

The present system could be retained, provided care was exercised in its operation. Fuel input, and hence, heat supply, should be reduced until a temperature is reached which the occupiers find comfortable. Then, either by manual or auto-

matic control, the temperature should be kept near to this comfortable level. The present type of thermometers would be adequate for a visual check on the temperature, provided ice is not used to produce spurious readings.

If no remedy is made to the system described, the result will not be a "heat explosion." There will be a gradual rise in temperature, resulting in demoralisation and debilitation of the occupiers, until life becomes unbearable.

John Snuggs,  
The Chartered Institution of Building Services,  
Delta House,  
222, Balham High Road, SW12.

## Computer myths

From the President, Dorset Computer Consultants Inc

Sir—The letter from A. A. Benjamin of ICL (August 12) again raises and attempts to perpetuate a myth.

There is no such thing as the alleged "huge protected home markets." The American market for computer equipment is wide open to companies wherever based who are willing to invest in marketing, support and engineering infrastructure. We point to Nixdorf, Norak Data, Northern Telecom, Hitachi, Fujitsu, BASF and Racal as examples of non-American companies who have prospered in the American marketplace. These organisations have not tried to sell a nationwide market from a single sales office in New York and have been willing to bet resources against potential revenues.

The "large scale Government contracts underpinning research" is another admirable piece of fiction. The matter has been discussed at great length elsewhere, particularly by Dr. Robert Noyce of Intel. It is also worth pointing out that IBM alone spends over \$1.3bn of its own money in R&D, it and most other high technology companies understand the constant need for research money without which no new products appear.

Is ICL so scared of open tenders that it must resort to ancient and thoroughly discredited alibions to win a bid? Philip H. Dorn,  
25 East 86th Street,  
New York, N.Y. 10028.

## Covered wagons

From Mr. J. Bescoby

Sir—John Philip's article on caravans (Covered Wagons, August 2) raises wider questions than insurance. I frequently travel the section of the M5 between Birmingham and Bristol and on Friday evenings in summer many motorists can be seen towing caravans on the southbound carriageway. As this is a two lane motorway the caravans contribute substantially to the delays and frustrations on what is already a busy holiday route and I have often wondered why these vehicles are afforded the privilege of paying no special tax. Other road vehicles pay according to power, size or weight but caravans appear to be an exception.

I am in no sense "anti-caravan" but I do not understand why vehicles which take up substantial road space and which must travel slowly for safety reasons should not pay a fair contribution to the construction and maintenance of our road system. J. H. Bescoby,  
Department of Cape Town,  
Department of Business Science,  
Private Bag,  
Rondebosch 7700, Cape,  
Republic of South Africa.

## Encouraging the natives

From Mr. G. Henwood

Sir—During recent weeks we have had much comment on the Government's options for purchasing various major items of equipment, eg. the PAYE computer system; air traffic surveillance radar; light communications/training aircraft for the RAF, and so on. Generally these come down to a choice between American products or the native equivalent.

On the whole, the performance of these devices is comparable, irrespective of their origin and any expressed preference has usually been based on alleged earlier availability and/or lower price.

The matter of delivery always tends to be rather sticky, but in the present economic doldrums one would imagine that any British manufacturer surely would respond to pressure for prompt supply.

On the question of relative cost, it seems to me that one important point is never discussed, viz. what is the real cost to the British Government of an imported item vis-a-vis the home-produced equivalent? If I were a Treasury mandarin my reasoning would run on these lines: "The imported item has to be paid for in full in a hard currency, whereas the home-made stuff is bought with sterling and, thanks to our marvellously comprehensive tax system at least 60 per cent of any payment which the Government makes in the home market will promptly return to us by way of the various tax grabs. Ergo: the home-made product is bound to be far cheaper than any imported item. Conclusion obvious."

Of course, this is a grossly simplistic statement, but the principle surely is sound, and he also may add that in giving preference to foreign products, where all things are more or less equal, we are incidentally importing foreign unemployment along with the goods. Furthermore, we reduce our manufacturers' competitiveness in such open markets as may exist.

If these lines of reasoning are correct, then we have cause to be very worried by the mooted "international rules" to be discussed later this year which will make it mandatory to grant orders always to the lowest tender. The mind boggles at the financial chicanery which such a rule certainly will encourage.

G. Henwood,  
Orchard Cottage, The Square,  
Brightwell, Wallingford, Oxon.

## British Telecom

Sir—A quick check at the Registry of British Trade Marks reveals that Telecom was registered last year by Pye, a subsidiary of the Dutch Philips Group. One wonders if this was merely a chance registration, or an early step in a strategy to take over British Telecom.

E. T. Parker,  
New Product Management Group,  
Management House,  
Parker Street, WC2.

## Today's Events

Overseas: International Fair opens at Izmir, Turkey (until September 30).

LUNCHTIME MUSIC, London Metropolitan Police Band concert, Finsbury Circus Gardens, noon.

Recital by Alastair Miles (flute) and David Rees-Williams, St. Lawrence Jewry, Gresham Street, 1.00 pm.

Organ recital by Peter Newell, St. Bride's, Fleet Street, 1.15 pm.

OFFICIAL STATISTICS Department of the Environ-

ment gives details of new construction orders for June. Department of Employment publishes indices of average earnings for June, and indices of basic rates of wages for July.

Central Statistical Office issues second quarter second preliminary estimate of consumers' expenditure.

CAMPANY MEETINGS Antagastia Railway, Winchester House, 100 Old Broad Street, EC, 12.15. Dom Holdings,

COMPANY RESULTS Final dividends: Scottish English and European Textiles. Interim dividends: International Investment Trust, Johnson Group Cleaners. Interim figures: London Brick.

Medium-to-low volume copying?

The **NEW** Plain Paper Copier

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The very latest microprocessor control technology gives the new Toshiba BD3802 super efficiency. It will produce from 1 to 99 copies automatically—just set the button for clear, sharp copies, every time—right through the run. Delicate half-tones (which other copiers often blur) come out in fine detail; solid areas stay solid.

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## Companies and Markets

## UK COMPANY NEWS

هفتاد و نهم

## SHACKLETON PETROLEUM FLOAT

## New energy ideas in vogue

BY JOHN MAKINSON

The demand for new energy ideas seems inexhaustible. Shackleton Petroleum is the latest innovation and its shares moved from 50p to 70p yesterday when dealings began.

The company is an offshoot of Czar Resources, a Canadian group which specialises in exploring for oil and gas in areas which have been abandoned by the oil majors. Shackleton has been floated under the Stock Exchange rule for foreign companies, 100 (1c), on the back of Czar's sound, if predatory, reputation.

James Capel has orchestrated the placement of 10.5m Shackleton shares representing 20 per cent of the issued capital, at 50p per share. The bulk of the issue has been placed with UK institutions. The arrangement gives Shackleton 121 per cent of all new drilling and exploration programmes undertaken by Czar in Canada, and a 30 per cent interest in the U.S.

Shackleton will pay drilling and exploration costs in direct relation to its holding and will then obtain an 80 per cent interest in revenues and development costs. The remaining 20 per cent will go to Czar, in return for its commitment to locate and manage oil or gas prospects.

Czar claims that the advantage of an investment in Shackleton is that it offers an entry into a successful exploration company at low risk and low cost. The risk is relatively small, it says, because Czar operates only in on-shore areas



Mr. Robert W. Lamond of Czar Resources and Mr. Ashley Down of James Capel at the London Press conference

which are likely to have proven or probable reserves. Equally, however, the reward is generally limited since the oil majors will have rejected the sites as being insufficiently productive.

Czar earns its living either by making a rejected property commercial or by disclosing larger reserves than had initially been discovered. It has so far drilled 421 wells in North America with an overall success rate of about 77 per cent. At present, Shackleton has an interest in 29 wells, of which 12 have development potential and 16 are still being drilled.

The cost of the operation should be small because Shackleton abrogates all management functions to a company called Aurora Energy Fund and all responsibility for exploration

to Czar. Aurora receives a fee for its management role, together with a share option deal, while Czar gets 20 per cent of Shackleton's stake in any producing property.

The Shackleton idea may be new to London but it represents familiar territory for Czar. Masterminded by a geologist, Robert Lamond, the company has tapped funds in Canada and West Germany along similar lines.

A change in local tax regulations has made the German connection more tenuous but Czar is already looking at a scheme similar to Shackleton in the Netherlands. In the first quarter of next year Czar hopes to raise around US\$20m in connection with a listing on the American Stock Exchange (Amex), all

part of a strategy to seek \$200m over the next three years from outside interests. Shackleton is almost certain to form part of these plans.

The Amex listing ties in with Czar's aim of obtaining half its income and funding from the U.S. Exploration companies in Canada operate in an uncertain political climate, highlighted by the current tax tug-of-war between Ottawa and Alberta, and geographical diversification makes defensive sense. At the moment, however, Czar's heavy involvement in Canada exposes investors to a degree of political risk.

Shackleton has attempted to reduce the risk/reward ratios further by providing for an independent appraisal of its properties after half of its new money has been spent. If the results at that point are unpromising, Shackleton can apply the balance of the funds to producing properties. The company is also planning to pay dividends at some unspecified time. Czar, by contrast, ploughs any profits back into exploration.

Shackleton remains a speculative proposition. Shareholders are putting their money on the admittedly successful record of Mr. Lamond and his colleagues, hoping that it will continue. They are backing an unabashed expansionist. He talks confidently of expanding into trillion cubic feet gas fields and, when asked about Czar's financing, replies simply: "we borrow as much as we possibly can."

## Restmor ahead to £1.55m

WITH TURNOVER increased from \$9.28m to \$12.73m, Restmor Group, the baby carriages and nursery furniture manufacturer, reports a rise in pre-tax profits of \$330,000 to \$1.55m for the year to April 30, 1980, compared with \$1.21m. Tax took \$239,247 against a credit of \$22,658. Earnings per 25p share were better at 25.88p (23.86p) and the net dividend is increased from 3p to 4p with a final of 3.5p.

## ● comment

Restmor's pre-tax rise of 28 per cent contrasts well with the depressed state of most other manufacturers linked to the retail sector. It is attributable in part to average price increases of 10 per cent in its baby carriage and furniture lines and more significantly to a volume increase of at least 15 per cent. The company may be thankful for the rise in the numbers of first-born children, an important factor in this business. Restmor sells more than half of its products to Mothercare and the difficulty of putting up its prices has helped to squeeze pre-tax margins by a point. But the group's turnover on a cash balance of more than £1m, compared with a year-end sum of around £650,000 and should not suffer excessively in the current recession. The total net dividend has been increased by a third, yielding 6.8 per cent at 5p, up 3p yesterday. On a full tax charge the earnings multiple stands at 5.8, not expensive at all for a company with a decade of steady growth.

## MINING NEWS

## Little change at De Beers in first six months

BY GEORGE MILLING-STANLEY

FIRST HALF net profits of South Africa's De Beers Consolidated Mines, the most important force in international diamond mining and rough gem marketing, are virtually unchanged from the corresponding period of last year at \$343.4m (£190.6m) against \$340.1m. De Beers said yesterday that it was reasonably satisfied with this performance, coming as it did in the face of the worldwide economic recession. Tighter credit and higher interest rates cut the volume of sales, especially in the U.S., which accounts for almost half of world sales of gem diamonds.

A further factor which adversely affected the group's income from diamonds was the 7.5 per cent appreciation of the Rand against the U.S. dollar, in which currency diamond prices are denominated.

The interim dividend is raised from 20 cents a share to 25 cents, on earnings per share of 95.5 cents compared with 94.5 cents. De Beers said earlier this year that it wanted to reduce the disparity between the interim and final payments, and therefore no indications can be drawn as to

the possible level of the total for the year. Last year's total dividend was 72.5 cents a share.

Mr. Harry Oppenheimer, chairman of De Beers, said in April that he expected satisfactory results for the full year. He pointed out that while the diamond business was not without its problems, it was on the whole satisfactory, and this, together with De Beers' growing diversified holdings in other businesses, was the source of his comparative optimism.

The new customary warning to the effect that full-year profits cannot be predicted on the basis of extrapolations from the first half figures is repeated. De Beers points out that income does not necessarily accrue evenly throughout the year.

The company's income from investments outside the diamond industry increased during the first six months by almost \$10m, but this was not enough to offset a fall in income from the diamond account from \$480.6m to \$437.9m. This item in the accounts has been amended to take in dividend income from trade investments, with last

year's figure being adjusted accordingly. At the pre-tax level, De Beers' profits are actually lower, standing at \$339m against \$369.1m. A lower tax charge and a sharp reduction in the state's share of profits under mining leases gave rise to the small increase at the net level.

The results are in line with expectations on the basis of last month's first half sales figures from De Beers' Central Selling Organisation, which accounts for the bulk of world sales of rough gem and industrial diamonds.

In Rand terms, the CSO's sales were 17 per cent higher at R1.27bn, but this was attributable to price rises and in fact masked a slight fall in the volume of stones sold.

De Beers said yesterday that the recession really began to bite during the second quarter. Most cutting centres are now carrying surplus stocks of the smaller stones of up to about one carat, and demand for larger stones began to fall away later in the period.

The shares put on 7p to 410p in London yesterday in front of the results.

## Ranger project seeks U.S.\$390m

THE NEW COMPANY which is being set up to operate the Ranger uranium project in Australia's Northern Territory, Energy Resources of Australia (ERA), is to seek loan facilities totalling US\$390m (£185m).

EZ Industries, which owns 25 per cent of Ranger and is involved in the formation of ERA, said yesterday that \$250m of this amount will be provided by a consortium of banks led by J. Henry Schroder Wagg of London and Continental Illinois of Chicago.

The remaining \$140m is expected to be provided by Japan Australia Uranium Resources Development, another new company to be set up by the Japanese utilities Kansai, Kyushu and Shikoku, and the trading house C. Itoh, all of which are shareholders in Ranger's uranium.

This new company will hold the equity stakes the Japanese concerns are taking in Ranger in

return for long-term purchase commitments.

The news of the fund-raising by ERA follows Monday's announcement of some 84 per cent of Ranger's projected annual output of 3,000 short tons of uranium oxide had been committed to Japanese and West German customers in deals worth over \$250m (£85m).

The contracts start in 1982 and run until 1997, mark the emergence of Australia as a major supplier of uranium to the world market.

EZ Industries yesterday disclosed details of the projected ownership structure of ERA. EZ itself and Peko-Wallend, which also currently owns 25 per cent of Ranger, will each dispose of their stakes to ERA in return for 125m Ordinary shares of ERA and an undisclosed sum in cash.

This will give each company 30.5 per cent of the new concern, which is also taking

over the Federal Government's 50 per cent stake in Ranger.

The West German and Japanese participants will take a total of 98.4m shares or 25 per cent in ERA in the following proportions: Rheinbraun Australia, a wholly-owned subsidiary of Rheinische Braunkohlenwerke, 25.62m; Australian Developments, a subsidiary of Ungelesch, 16.4m; Inter-Uranium Australia, a subsidiary of Saabberg-Interplan Uran, 15.35m; Kansai Electric Power, 20.5m; Kyushu Electric Power, 10.25m; Shikoku Electric Power, 6.15m; and C. Itoh 4.1m.

It is not yet known when the projected public flotation of 14 per cent of ERA will take place. The actual transfer of the Ranger mine to ERA still depends on permission from the Federal Government, which resumed the review of the necessary legislation is expected to be dealt with during the new session.

## Doubled profits at Rand London

PRE-TAX PROFITS of Rand London Corporation, the small but diversified South African mining company, for the year to June 30 are almost doubled at \$6.9m (£3.56m) against \$3.52m, reports Jim Jones from Johannesburg.

The company's 78 per cent-owned Rand London Coal, in which 22 per cent of the equity was sold to the parent company's shareholders in a \$10m rights issue last February, failed to meet the profits target set in the offer document.

The coal company made a profit of \$4.7m before minority interests and preference dividends totalling \$555,000. No tax was paid during the 12 months. This left net attributable profits of \$3.5m or 35 cents per share, against a forecast at the time of the rights issue of 39.5 cents.

Rand London's directors said yesterday that the coal company's profits shortfall was due to a temporary reduction in sales of coking coal pending completion of the Kempsville preparation plant. This plant has now been commissioned and sales have returned to normal levels.

Open-cast operations at the company's Zimphos low-phosphorous anthracite mine in Natal

are expected to start soon, the directors added.

Net attributable profits of the parent company are 74 per cent ahead of last year at \$5.4m, to give earnings of 41 cents per share, right in line with forecasts early this year.

The increase has not showed through at the earnings per share level, following the payment of dividends on the new Series A preferred shares. Net earnings per share are 1.4 cents against 3 cents last time.

Funds generated from operations totalled \$82.5m compared with \$81.02m. The gain reflects the inclusion of Brinco Oil and Gas, formerly Conoco, which was merged with Brinco in October, 1979. Increased

investment income due to higher interest rates also made a contribution.

Working capital at the end of the six months was \$345.85m, a decrease of \$58.58m from the previous year-end.

The RTZ group's stake in Brinco is scheduled to fall to 23 per cent from the current 52 per cent in a plan designed to make Brinco an eligible Canadian-controlled company under the terms of the Foreign Investment Review Act. The Canadian interest will rise to 74 per cent, with 50.1 per cent held by Olympia and York Developments. Other outside interests will retain a 3 per cent stake.

## MINE CLOSURE

AT KERR MCGEE

Kerr-McGee Nuclear, a subsidiary of the American nuclear resources concern Kerr-McGee, has announced the temporary closure of two uranium mines at Ambrosia Lake, New Mexico. The company said yesterday that unfavourable market conditions due to the softening in uranium prices, rising cost of mining operations and higher state taxes forced it to shut down the two mines, Sections 17 and 24.

## Spillers' profits unchanged

Spillers, the four foods and bakery concern which has been taken over by Dalgety, yesterday revealed that its profits had remained an independent group, in the 12 months ending February 2, 1980, were virtually unchanged.

Pre-tax profits were £14.3m compared with £14.7m on turnover of £72.3m (£72.0m).

In its takeover battle earlier this year, Spillers had forecast that profits "will be around £15m". Pre-tax profits of £14.3m published yesterday include equity accounted Rhodesian profit of £1.6m before tax and £1.1m after tax.

Spillers' taxation charge was down from £3.7m to £2.1m, leaving after tax profits of £12.2m compared with £11m.

Yesterday's published results represent an interim position in the 17 months ending June 30, 1980—the end of that period being coincident with the accounting year end of Dalgety, the parent company. It was stressed that the 12 month results should not be regarded as indicative of results for the full period.

A statement of extraordinary items will be provided with the audited accounts for the 17 months to June 30, 1980.

## Richard Clay down midterm

THE CONTINUED depressed state of the market, pressure on margins and a dispute with a trade union during April and May are blamed for a sharp fall in Richard Clay and Company, book printer and binder.

The surplus for the six months to June 27, 1980, fell from £1.21m to £333,942 on sales ahead at £9.03m (£8.25m). CCA accounts

show a loss for the period of £127,635 before tax.

Although markets have recently shown some signs of slight improvement, particularly in the export field, they continue to be volatile, states Mr. John M. Clay, chairman, and it is therefore difficult to forecast the results for the full year.

Provided the group can maintain its present workload, the

second half should show an improvement, he adds, although results will be affected by the costs of a recent redundancy exercise aimed at eliminating unprofitable areas of operation.

The net interim dividend is held at 1.6p, last year a total of 3.5p was paid from 12 months' pre-tax profit of £2m.

There is a tax charge for the six months of £25,000 (£330,000).

## Alexanders Hldgs. up at halfway

AN INCREASE from £165,000 to £199,000 in profits is reported by Alexanders Holdings, main Ford dealer, for the six months to March 31, 1980. Turnover was substantially higher at £19.3m compared with £12.5m.

Profits were struck before extraordinary items of £138,000 (£50,000) in respect of release of land tax no longer required, and surplus on the sale of other properties.

Mr. J. B. T. Loudon, the chairman, says the company has been hit by the high rates of interest, and with the present competitive nature of the motor business, the margin of profit has been reduced.

At South Gyle the second phase of the company's development, panel and paint facilities for commercial vehicles has been completed on schedule.

Turnover for the period fell from £19.2m to £19.1m. The net dividend is increased from 2.06p to 3.5p by a final of 2.1p.

Earnings per 10p share were up at 12.16p against 7.74p. The net dividend is increased from 2.06p to 3.5p by a final of 2.1p.

After tax of £174,315 against £237,170 in the previous year, pre-acquisition profits of £80,383 (nil), and extraordinary credit of £64,444 (£18,391), the attributable profit for the period was £509,890 (£302,993). There were minority profits last time of £33,875.

Earnings per 10p share were up at 12.16p against 7.74p. The net dividend is increased from 2.06p to 3.5p by a final of 2.1p.

For the 53 weeks to April 5, 1980, last year's comparative is restated by £9,579 to take account of a change in the treatment of investments.

Turnover for the period fell from £19.2m to £19.1m. The net dividend is increased from 2.06p to 3.5p by a final of 2.1p.

## Yearlings 1% higher

The interest rate on this week's batch of yearling bonds is 14 1/2 per cent, up 1 per cent from last week. Issued at par, they are redeemable on August 26, 1980.

The issues are: London Borough of Brent (£0.5m); Aylesbury Vale DC (£0.5m); Suffolk Coastal DC (£0.5m); West Lothian DC (£0.5m); Brighton BC (£1m); Cleethorpes BC (£0.5m); Cynon Valley BC (£0.5m); Borough of Pendle (£0.25m); Borough Council of Gateshead (£0.5m); Ufflewood DC (£0.5m); Borough of Blaenau Gwent (£0.5m); Wakefield Metropolitan DC (£0.75m); Vale of Glamorgan BC (£0.25m); Rother DC (£0.5m); Dudley Metropolitan BC (£0.5m); Oldham Metropolitan BC (£1m); London Borough of Hounslow (£0.5m); West Yorkshire Metropolitan CC (£0.75m).

After tax of £23,136 (£94,619), stated earnings per 10p share are 3p compared with 5.88p, and the final dividend is raised from 0.55p to 0.88p for a total of 0.99p (0.88p).

Overseas in Jersey and the Isle of Man, the group's banking subsidiaries continue to expand and have shown further improvement both in volume and profit.

The group's liquidity position at the half-year is the best it has ever been, the chairman comments.

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LONDON TRADED OPTIONS									
Option	Expiry	Strike	Vol.	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Equity close
BP	350	36	—	56	1	58	—	—	348p
BP	350	38	—	56	1	58	—	—	—
BP	350	40	—	56	1	58	—	—	—
BP	430	2	15	—	—	—	—	—	—
Com. Union	140	28	2	34	20	36	—	—	165p
Com. Union	160	11	—	—	—	—	—	—	—
Com. Union	600	65	1	82	—	103	—	—	530p
Cons. Gold	500	28	10	50	—	—	—	—	—
Cons. Gold	500	18	11	82	1	70	—	—	—
Courtaulds	70	5 1/2	—	5 1/2	—	9 1/2	14	64p	—
Courtaulds	450	58	2	—	—	—	—	—	—
GED	500	39	45	52	41	74	—	—	489p
GED	140	30	10	30	—	35	—	—	159p
Grand Met.	180	7 1/2	—	16 1/2	—	20 1/2	—	—	—
Grand Met.	350	8 1/2	—	8 1/2	—	14 1/2	—	—	—
ICI	360	18	13	23	—	—	—	—	368p
ICI	390	8	7	18	—	29	—	—	—
Land Secs.	253	21	6	46	—	—	—	—	567p
Land Secs.	253	11	2	3	—	—	—	—	—
Land Secs.	300	13	2	3	—	—	—	—	—
Marika & Sp.	160	10	18	12	25	22	—	—	102p
Marika & Sp.	110	4	10	7 1/2	1	11 1/2	—	—	—
Shell	350	48	—	58	1	72	—	—	417p
Shell	430	24	258	40	161	58	—	—	—
Totals	—	—	128	—	—	—	—	—	—
Imperial Gp.	80	2	—	7	64	9 1/2	4	80p	—
Imperial Gp.	60	30 1/2	—	36	25	41 1/2	—	—	92p
Lonrho	74	20	5	36	—	41	—	—	—
Lonrho	84	10	1	12	74	18	—	—	—
Lonrho	104	1	—	8	58	15	—	—	—
Lonrho	114	12	36	21	6	25	—	—	152p
P. & O.	130	5	—	16	119	17 1/2	—	—	276p
Racal Elec.	280	9	24	19	6	88	—	—	—
Racal Elec.	350	110	2	138	—	145	—	—	467p
RTZ	460	15	2	81	2	40	—	—	—
Totals	—	—	—	—	381	—	28	—	—

## Commcl. Bank of Wales hit by £2m interest jump

STRUCK AFTER a jump of over £2m in interest charges to £3.89m pre-tax profits of Commercial Bank of Wales dropped from £504,000 to £537,000 for the first half of 1980. In view of present economic conditions, Sir Julian Hodge, the chairman, says it would be unrealistic to anticipate that full year profits will equal the figure of £1.3m achieved in 1979.

However, if interest rates continue to fall, the consequent reduction in money costs to the group will be reflected rapidly in an improved overall profitability, he states. But the real benefit is not likely to be felt until early 1981.

The profit of the group's banking business was at a relatively satisfactory level in the first six months, but high costs of money severely affected the return on the instalment credit business of its subsidiary, Forthright Finance.

Overseas in Jersey and the Isle of Man, the group's banking subsidiaries continue to expand and have shown further improvement both in volume and profit.

The group's liquidity position at the half-year is the best it has ever been, the chairman comments.



## CUMULATIVE DEFICIT NOW \$98M

## Further heavy losses at Firestone

BY IAN HARGREAVES IN NEW YORK

FIRESTONE TIRE and Rubber, the large but troubled U.S. tyre maker, suffered another heavy loss in the quarter just ended, taking losses so far this year to \$98m.

The Akron, Ohio company posted a \$32m loss on sales of \$1.15bn in its third quarter, compared with profits of \$10.4m on sales of \$1.31bn in the same period last year.

The losses, somewhat higher than expected, were incurred despite savage retrenchment in Firestone's cross ply tyre operations, and reflect the continued depth of the motor industry recession in the U.S.

Although car sales in June and July showed their first cautious upward move for almost a year, this has not yet

brought any appreciable relief to the tyre companies.

For the first nine months of the year, Firestone cumulative loss was \$98m on sales of \$3.62bn compared with a profit of \$78m on sales of \$3.87bn.

The nine-month figure includes a charge of \$49m taken in the second quarter to cover the cost of plant closures in North America.

Uniroyal, another tyre maker which has suffered heavy losses in the past year, announced yesterday another bid to raise tyre prices towards the cost of production.

Uniroyal proposed a 5 per cent increase, but others in the industry were not optimistic about the company's chances of making the increase hold. Firestone imposed a 7.9 per cent

increase in May, but the company admits that this was not able to be fully sustained.

Another problem pending for Firestone is the attempt by the U.S. Labour Department to bar it from Federal Government contracts because of alleged breach of a Texas plant.

A hearing is due to be held later this month to determine whether Firestone was guilty of falling through the so-called "affirmative action" programme to create adequate job opportunities for women.

At stake is \$40m a year of government contracts for the company.

Firestone said that its third quarter loss came mostly from domestic tyre operations, which were hurt by low car produc-

tion, sluggish demand in the replacement tyre market and the company's efforts to reduce tyre inventories.

Income from foreign operations "showed some improvement over this year's earlier quarters, but not enough to offset severe domestic losses," added the company.

Mr. John Nevin, who left Zenith Radio to become Firestone's president last year, was yesterday named chief executive of the tyre firm.

This is the last step but one for Mr. Nevin in his expected progress towards the Firestone chairmanship, which will be vacated by Mr. Richard Riley when he reaches the age of 65 next March. Mr. Riley was also chief executive.

## Downturn at K mart as demand weakens

By David Lascelles in New York

K MART, the second largest U.S. stores group, registered a sharp drop in second quarter earnings, in line with other U.S. retailers who have been hit by the recession.

Net income was \$59.2m (47 cents a share), down from \$89.7m or 71 cents, in the same period last year. Sales were slightly higher, at \$3.47bn compared with \$3.44bn pointing up the reduction in profit margins. The company blamed the softness of demand, and higher costs for the fall in profits.

Sales were strongest in small appliances, jewellery, home improvements, sporting goods and automotive products. Sales were slower in women's clothing, large appliances and building materials.

K Mart said it expected the economy to remain weak, with high inflation, but hoped that earnings for the rest of the year would compare more favourably with last year's.

K Mart's six month profits were \$35.8m or 73 cents, down from \$135.3m or \$1.08. Sales rose from \$5.66bn to \$6.45bn.

The Board said that the expected range but gross profit margins were below expectations as well as below the comparable 1979 period, because of increased consumer demand and increased promotional activity.

K Mart said salary and general expenses rose to 23.8 per cent of sales in the second quarter from 22.5 per cent a year ago and the use of LIFO accounting reduced per share net by 14 cents compared with a reduction of 9 cents in the 1979 second quarter.

The company said 26 K marts were opened in the quarter, unchanged from last year, adding that, it expected to open 201 stores in the U.S. and Canada this year compared with 193 last year.

## Bolivia delays repayments before debt rescheduling

BY PETER MONTAGNON

BOLIVIA HAS begun delaying debt repayments to international banks pending the signing of the first part of a debt restructuring agreement covering some \$160m. The agreement, which was to have been signed on Monday, has been postponed indefinitely.

Sources close to the banks involved said yesterday that the postponement, the second in three weeks, was because more time was needed to sort out the technical details of the agreement. However, some bankers are now beginning to question whether the uncertain political situation in Bolivia and U.S. opposition to the new regime render restructuring commitments imprudent.

Under the proposed agree-

ment, debt falling due between August 1 and the end of the year would be extended to January 5. Even though the first target date for signing of the agreement would be retroactive, which explains why Bolivia has now decided to hold back debt service payments.

Banks signing the agreement would receive a flat 1 per cent restructuring fee together with a margin above interbank rates of 1 1/2 per cent, or the spread on the original loan, whichever is higher.

By the time of the expiry of the agreement next January it is hoped that Bolivia will have been able to negotiate a larger consolidation loan covering the debt maturing during 1981 as

well as that extended in 1980. Negotiation of the consolidation loan would be helped by further support from the International Monetary Fund. At present the IMF's policy appears to be to maintain its present commitments to Bolivia as long as agreed economic performance criteria are met.

It is not at all clear, however, how the IMF would react to any requests for additional assistance, especially now that the U.S. has halted all economic aid to Bolivia.

There was no indication yesterday of when the debt extension agreement would be signed, although it is understood that arrangements for the signing could be completed at very short notice.

## Apple Computer plans to go public

By Paul Betts in New York

APPLE COMPUTER, the fast growing Californian manufacturer of small computers for the consumer, business and educational markets, is planning to go public later this year.

Apple Computer is the largest private manufacturer in the U.S. of small computers. Founded about five years ago as a small workshop business, it has become the second largest manufacturer of small computers, after the Radio Shack division of the Tandy company. Its annual revenues are estimated at \$175m.

The Californian company said yesterday that it would use the proceeds from the operation mainly to raise additional working capital, but declined to disclose the size of the offering or the names of the underwriters.

## First Boston sale

FIRST NATIONAL Boston Corporation, holding company for the 17th largest U.S. bank, has reached agreement with Seaboard Lines and Tenafly VLOC Holdings to sell all the stock of its Massachusetts Tankers subsidiary's three very large crude carrier units to Tenafly in exchange for an unspecified amount of Tenafly notes, reports Reuter from Boston.

## Wheeling seeks wage concessions

BY OUR NEW YORK STAFF

WORKERS AT Wheeling-Pittsburgh, the eighth largest steelmaker in the U.S., are being asked to forego part of the pay increases due to them under their three-year labour contract because of the company's financial problems.

The 12,000 union members at the company will vote today on a management proposal to forego two tranches of cost-of-living indexed payments due this year and a \$150-a-man bonus due in December.

The company hopes to make the indexed payments next year.

Leaders of the United Steelworkers Union, which only concluded details of the new contract in April, have already endorsed the Wheeling-Pittsburgh formula.

The company has also been talking about the possibility of permanent job losses if workers refuse to make sacrifices through the depths of the steel recession.

For 1979 Wheeling's earnings recovered strongly to \$12.16 a share but in the first quarter of this year its profits slumped from \$2.20 in 1979 to \$1.35 a share, and in the second quarter

collapsed to 11 cents against \$4.80.

With the steel industry now operating at less than 65 per cent of capacity, the pressures on steelmakers are intense, but Wheeling-Pittsburgh is thought to be the first to try to depart from the terms of the union contract.

A few weeks ago workers at Uniroyal, the struggling tyre and chemicals company, also agreed to forego wage increases and make other concessions in order to help the company through a difficult period.

## International Harvester decline

BY PAUL BETTS IN NEW YORK

INTERNATIONAL Harvester, the major U.S. truck and farm machinery manufacturer, has registered an 8.8 per cent decline in third quarter net income and a 12.5 per cent fall in sales compared with the same quarter ended July 31 last year.

But third quarter earnings of \$61.9m, although lower than the \$67.9m profit for the same period last year is an improvement over the first two quarters of fiscal 1980 when the com-

pany lost \$479m. These losses were in large measure the result of a 172-day strike which closed most of the company's U.S. operations.

Sales in the third quarter dropped to \$1.8bn, compared with \$2.1bn last year because of lower demand in almost every world market, the company said.

But the company added that in North America the impact of the current recession had been cushioned because of a backlog

of orders accumulated during the six-month strike.

"North American operations returned solidly to the black following the strike," Mr. Archie McCardell, the chairman, said.

For the first nine months of fiscal 1980, International Harvester's sales of \$4bn were 32.3 per cent lower than during the same period last year. Losses for the period totalled \$417.5m compared with profits of \$322m

## General Mills forecasts record year

By Our Financial Staff

GENERAL MILLS, a leading packaged food group, is confident it will enjoy another year of record sales earnings in 1980-81.

The company said in its annual report that current trends indicated mixed results in the first quarter with strong gains coming in the second quarter.

For all of its latest fiscal year to May 25, General Mills achieved profits of \$170m, or \$3.37 a share from sales of \$4.17bn. In the previous year profits were \$147m, or \$2.92 a share, on sales of \$3.75bn.

It opened last year with quarterly earnings of 85 cents a share with the second quarter contributing \$1.22 a share.

The company said it expects LIFO accounting charges this year to be much larger than last year's \$13.8m, or 14 cents a share, because of recent substantial increases in raw material prices. It said that more than 61 per cent of its domestic non-grain inventories were included on a LIFO basis at year end.

The company said capital spending should increase by 15 per cent to 17 per cent to a range of \$225m to \$230m. It said about 35 per cent of the total spending was to go on consumer foods, 30 per cent for 60 new restaurants and remodeling and expansion, 15 per cent for creative products—principally tooling for new toys and games—and 20 per cent for other consumer lines, including 45 new specialty retailing outlets.

General Mills said it expected to make several acquisitions in existing areas. It said it had purchased a toy company in Spain, was near to completion of the acquisition of Darryl's 16-unit restaurant chain in the south-east and was taking action to acquire 14 Good Earth restaurants in four states.

## Terson bids for Ward Foods

By Our Financial Staff

WARD FOODS, a diversified New York food group, has received a \$13 a share take-over offer from the privately-owned Terson Company. The management of Ward is recommending the offer to directors at a meeting today. The bid values Ward at about \$50m.

Terson, which is headed by Mr. Joe Masterson, who resigned as a senior vice-president at Ward last December, and Mr. Richard Peterson, a Chicago lawyer, has already agreed to buy some 33 per cent of Ward's shares from Mr. Lewis Yaeger.

The purchase of these shares, at \$13 each, is contingent upon the acquisition of the whole of the company by Terson.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

U.S. DOLLAR	Issued	Bid	Offer	Day	Week	Yield
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34

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Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34

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Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
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Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34
Alcatraz 10 1/2 85	50	98 1/2	99 1/2	0	0	13.34

**THE HOKKAIDO TAKUSHOKU BANK LIMITED**  
(TAKUGIN)  
US \$20,000,000  
NEGOTIABLE FLOATING RATE  
CERTIFICATES OF DEPOSIT  
MATURITY DATE FEBRUARY 19, 1982

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from August 20, 1980 to February 20, 1981, the Certificates will carry an interest rate of 11.75 per annum.

Agent  
**FIRST CHICAGO LIMITED**

**Burroughs Corporation**  
\$250,000,000  
\$100,000,000 10 3/4% Notes due August 1, 1987  
\$150,000,000 11 1/2% Sinking Fund Debentures due August 1, 2010

Kidder, Peabody & Co.  
Lehman Brothers Kuhn Loeb  
Merrill Lynch White Wolf Capital Markets Group  
Bache Halsey Stuart Shields  
Donaldson, Lufkin & Jenrette  
L.F. Rothschild, Unterberg, Towbin  
Warburg Paribas Becker  
ABD Securities Corporation  
A.G. Edwards & Sons, Inc.  
Ladenburg, Thalmann & Co. Inc.  
Nomura Securities International, Inc.  
Thomson McKinnon Securities Inc.  
Daiwa Securities America Inc.  
New Japan Securities International Inc.

Goldman, Sachs & Co.  
Salomon Brothers  
Blyth Eastman Paine Webber  
Dillon, Read & Co. Inc.  
E.F. Hutton & Company Inc.  
Lazard Freres & Co.  
Smith Barney, Harris Upham & Co.  
Dean Witter Reynolds Inc.  
Alex. Brown & Sons  
F. Eberstadt & Co. Inc.  
Hambros Bank  
Kleinwort, Benson  
New Court Securities Corporation  
Oppenheimer & Co. Inc.  
J. Henry Schroder Wagg & Co.  
Stuart Brothers  
Tucker, Anthony & R.L. Day, Inc.  
Wood Gundy Incorporated  
The Nikko Securities Co.  
Yamaichi International (America) Inc.  
Sanryo Securities America Inc.  
Nippon Kangyo Bank International Inc.

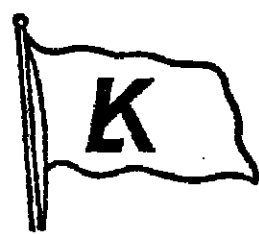
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This announcement appears as a matter of record only



## KLOSTERS REDERI A/S

US \$ 50.000.000

medium term facility to finance the  
S/S «Norway»

Provided by

Den norske Creditbank (Luxembourg) S.A.  
Nordfinanz-Bank Zürich  
The Bank of Nova Scotia Channel Islands Limited  
Southeast First National Bank of Miami  
Nordic American Banking Corporation  
Nordic Bank Limited  
Ship Mortgage International Bank N.V.  
Schiffshypothekenbank zu Lübeck AG  
Kansallis International Bank S.A.

Arranged by

Den norske Creditbank

July 1980

All these bonds having been placed, this announcement appears as a matter of record only.



## EUROPEAN INVESTMENT BANK

250,000,000 Luxembourg Francs  
11 1/4 % Bonds 1980-1987

Underwritten and privately placed by

BANQUE INTERNATIONALE A LUXEMBOURG  
Société anonyme

Luxembourg, July 29, 1980

This announcement appears as a matter of record only.

\$125,000,000

## Polaroid Corporation

11 7/8 % Notes Due August 15, 1990

Interest payable semi-annually on February 15 and August 15

Lehman Brothers Kuhn Loeb  
Incorporated

The First Boston Corporation

Merrill Lynch, White Weld Capital Markets Group  
Merrill Lynch, Pierce, Fenner & Smith IncorporatedBache Halsey Stuart Shields  
Incorporated

Bear, Stearns &amp; Co.

Dillon, Read &amp; Co. Inc.

Donaldson, Lufkin & Jenrette  
Securities Corporation

E. F. Hutton &amp; Company Inc.

Kidder, Peabody & Co.  
Incorporated

L. F. Rothschild, Unterberg, Towbin

Smith Barney, Harris Upham & Co.  
Incorporated

Wertheim &amp; Co., Inc.

Goldman, Sachs &amp; Co.

Salomon Brothers

Blyth Eastman Paine Webber  
IncorporatedDrexel Burnham Lambert  
Incorporated

Lazard Frères &amp; Co.

Shearson Loeb Rhoades Inc.

Warburg Paribas Becker  
A.G. Becker

Dean Witter Reynolds Inc.

August 13, 1980

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Companies  
and Markets

## INTL. COMPANIES &amp; FINANCE

## BANKING IN INDIA

## Aims clash over rural expansion

BY MICHELLE MISQUITTA AND KEVIN RAFFERTY

THE NUMBER of India's rural banks has risen rapidly since the major banks were nationalised in 1969. Figures recently issued by the Reserve Bank of India show a sevenfold increase in rural bank branches in the past 10 years.

But officials are realising that the problems of taking banking to the Indian people are only just beginning. In most of India's half a million villages the moneylender charging anything from 40 to 400 per cent interest a year still reigns supreme.

In statistical terms the growth of rural bank branches is a matter for pride. In 1969 there were 1,882 rural branches in India, or 22.2 per cent of the total. After a decade of bank nationalisation the number had shot up to 13,333, or 44.1 per cent of all bank branches. The rural banks have also shown a similar sevenfold expansion in their share of credit, from a mere 1.5 per cent of total credit in 1969 to 10 per cent last year.

The State Bank of India, the biggest commercial bank and 116th in The Banker's top 500 world banks, has most rural branches, followed by other banks such as the Central Bank of India, the Bank of Baroda, the Bank of India and the Punjab National Bank.

The Reserve Bank and Finance Ministry officials have worked hard to press the banks

to open rural branches. A senior bank official said: "The Reserve Bank pressurises the commercial banks in various ways: it prescribes norms regarding the opening of bank branches and also tries to cajole them and use moral suasion. At one time the bank used the bait that for every four rural branches a bank opened, it could open an urban one."

But he also admitted that there were problems: "to inculcate a sense of responsibility in banks is difficult. Quantitatively, they have been able to show results, but on closer inspection the nature of their lending is poor."

The trouble in the Government's eyes is that bank lending tends to focus upon the cities and upon big industrial houses.

The Reserve Bank urges the commercial banks to be aware of India's social objectives as well as the need to make profits. It encourages banks to appoint agricultural extension officers who will tour rural areas and be alive to investment opportunities.

And the commercial banks continue to complain that rural banking is difficult for them. One of the heads of a large commercial bank grumbles: "For each rural branch I open I lose money. I have to set up an infrastructure which is far too costly for the money which

is attracted to the bank. And we do have an obligation to make profits and to make the best use of the money coming to us."

This clash of objectives opens the question of whether the commercial banks, as at present constituted, are the best vehicle for bringing banking to the 666m people of India, 80 per cent of whom live in rural areas.

One important aspect is that

tioned, appointment.

The Indian bank manager's career structure demands that he be urban, educated, careful, in fact virtually the very opposite of what he needs to be to appreciate the possibilities of a new risky rural venture.

For the ordinary villagers, the moneylender has no real competition. A man needs money for a new bullock or buffalo or for the dowry for his daughter. He wants it quickly

might actually reach the masses. In some parts of Latin America, the government, with the backing of the World Bank, has set up a network of "banking agents," often the local schoolmaster or government clerk, who live in the village and both collect funds and make loans. This system offers local knowledge and is cheaper and more flexible than setting up a bank office.

In India the government has rejected the ideas of mobile banks—a van that tours from village to village—and of employing government agricultural workers on a term basis. Instead, to encourage small borrowing it has reduced the rate of interest on them to 12 per cent, compared to 18 per cent or more for large accounts.

But it is indicative of the problem that even the best intentions can backfire. In Uttar Pradesh, for example, India's largest state with more than 80m people, the poor peasant takes a loan of Rs 100 to buy food to keep his family alive. The lender is the village's biggest landowner, and the peasant is lucky if he can meet the 60 per cent annual interest payments. Yet the big farmer now runs his tractor on a 12 per cent bank loan, and no longer needs to employ the peasant thanks to the cheaply financed and faster-working new machines.

## LOCATION OF BANK BRANCHES

Year	Total branches	Rural	Semi-urban	Urban	Metropolitan
1969	8,262	22.2	48.2	17.5	20.1
1979	30,202	44.1	26.0	15.6	14.3

Source: Reserve Bank of India

India is so vast that, even after the massive expansion of rural banking in the past ten years, only 70,270 villages today are within reach of a bank, or fewer than 13 per cent of all India's villages. It is a common complaint that for the bankers sent to the rural areas, the village branch is a purgatory. He tries to get what coolness he can from his office fan and hopes that after two years he has shown enough profit to earn promotion out of the sun to a suburban, perhaps air-condi-

without endless questions about his status, his collateral, without forms to fill in and approvals and permission to get. The moneylender understands this, at his price. The bank, which substitutes caution for price, does not.

The truth is that the banks are caught between their commercial role—in which they are also entangled in red tape—social demands, which they are not really geared to meet.

There is a strong case for devising new structures which

ducts also gained by 14.9 per cent to account for 23.7 per cent.

Exports rose by 30 per cent to account for 9.8 per cent of the total and contributed 72.6bn of exchange gains.

In the current half-year, the company faces a sharp fall in demand for petrochemical products, partly because of the economic slow-down and partly as a reaction to previous advance buying.

## Record half-year for Showa Denko

BY YOKO SHIBATA IN TOKYO

SHOWA DENKO, Japan's leading manufacturer of petrochemical products, reported record earnings for its interim period ended June 30, 1980, following increases in its selling prices.

Operating profits reached a record ¥12,47bn (\$55m), up 7.6 per cent over the previous six months, to December 1979. Net profits came to ¥5,07bn, up 8.1 per cent. Comparisons with the corresponding six months of

the previous year are not given, because the company absorbed Showa Yuka, another petrochemical concern, on July 1, 1979.

Sales increased by 16 per cent to ¥242.43bn, with growth in petrochemical products of 13.5 per cent to account for 69 per cent of the total.

Rising prices of raw materials were passed on to selling prices of ethylene and propylene. Sales of ferro-alloys and furnace pro-

## De Beers

Interim Report  
and  
Declaration of Dividend

The following are the unaudited consolidated results of the Company and its subsidiaries for the half-year ended 30th June 1980 together with the comparative figures for the half-year ended 30th June 1979, and for the year ended 31st December 1979, which should be read in conjunction with the subjoined notes:—

	Half-year ended 30.6.80 R million	Half-year ended 30.6.79 R million	Year ended 31.12.79 R million
Diamond account including trade investment income (note 1) .....	437.9	480.6	943.1
Income from investments outside the diamond industry .....	116.9	107.4	199.9
Other revenue .....	21.1	20.2	31.8
Net surplus on investments .....	5.1	0.3	6.8
Surplus on realisation of fixed assets .....	—	0.7	0.8
	581.0	609.2	1,182.4
Deduct:			
Prospecting and research .....	18.8	20.1	38.8
General charges .....	17.0	15.7	28.1
Interest payable .....	6.2	4.3	9.1
	42.0	40.1	76.0
Group profit before tax .....	539.0	569.1	1,106.4
Deduct:			
Tax .....	177.4	215.2	335.4
State's share of profits under mining leases .....	11.7	27.4	40.7
	189.1	242.6	376.1
Less: Loan portion of tax .....	—	17.6	20.8
	189.1	225.0	355.3
Group profit after tax .....	349.9	344.1	751.1
Deduct:			
Outside interests in subsidiary companies .....	6.5	4.0	9.2
Group profit after tax attributable to De Beers Consolidated Mines Limited .....	343.4	340.1	741.9
Preference dividend of R1 per share declared 27th May 1980 .....	0.8	0.8	—
Second preference dividend of 4 cents per share declared 27th May 1980 .....	0.1	0.1	—
Cost of interim dividend of 25 cents per deferred share (1979: 20 cents) .....	89.9	72.0	—

## Notes:

1. Dividend income from trade investments has been included in the Diamond Account and the comparative figures of the previous year have been adjusted accordingly.

2. The results have been affected by the appreciation during the six months of approximately 7.5 per cent in the value of the rand against the U.S. dollar, the currency in which diamonds are sold.

3. It should not be assumed that the results for the half-year ended 30th June will be repeated in the half-year ending 31st December, since income does not necessarily accrue evenly throughout the year.

## DIRECTORATE

It is with deep regret that the death of Mr. A. Wilson on 13th June 1980 is reported. On 19th August 1980 Mr. P. J. L. Crokett resigned from the board of which he had been a member for 21 years. Mr. P. J. R. Leyden and Mr. A. E. Oppenheimer were appointed directors of the company on 19th August 1980.

## INTERIM DIVIDEND

Declaration of Dividend No. 121 on the Deferred Shares. An increased interim dividend in respect of the year ending 31st December 1980, being dividend No. 121 of 25 cents per share (1979: 20 cents) has been declared payable to the holders of deferred shares registered in the books of the Company at the close of business on 26th September 1980 and to persons presenting coupon No. 65 detached from deferred share warrants to bearer.

Shareholders will recall that it was stated in the last annual report that it was intended to reduce the disparity between the interim and final dividends.

A notice regarding payment of dividends on coupon No. 65 detached from share warrants to bearer, will be published in the press by the London Secretaries of the Company on or about 19th September 1980.

The deferred share transfer registers and registers of members will be closed from 27th September 1980 to 9th October 1980, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 30th October 1980. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 21st October 1980 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the Company's transfer offices in Johannesburg or the United Kingdom on or before 26th September 1980.

The effective rate of non-resident shareholders' tax is 9.97 per cent.

The dividend is payable subject to conditions which can be inspected at the head office and London office of the Company and also at the Company's transfer offices in Johannesburg and the United Kingdom.

For and on behalf of the board  
H. F. OPPENHEIMER  
P. J. OPPENHEIMER Directors

20th August, 1980

Copies of this report will be posted to all registered shareholders

Head Office: 36 Stockdale Street, Kimberley, South Africa.  
London Secretaries: Anglo American Corporation of South Africa Limited,  
40 Holborn Viaduct, London EC1P 1AJ.  
Transfer Secretaries: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg,  
(P.O. Box 61051, Marshalltown, 2107)  
Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

De Beers Consolidated Mines Limited

Incorporated in the Republic of South Africa















# Leaders hold steady but Gilts drift lower on fears about rising U.S. interest rates Hawker on offer

## Account Dealing Dates

\*First Dealers' Last Account Dealings: Last Account Dealings: Day Aug. 11, Aug. 28, Aug. 29, Sept. 2, Sept. 11, Sept. 12, Sept. 12, Sept. 15, Sept. 25, Sept. 26, Oct. 6. \*New time: dealings may take place from 9 am to two business days earlier.

Investors yesterday were again showing little enthusiasm in stock markets which had another limited day of activity because of seasonal influences. Gilt-edged started cautiously with a softer undertone in continuance of the late overnight trend when the move to slightly higher levels after the good July trade figures was beginning to peter out.

Early falls in Gilts to 1 soon ranged to 1, partly reflecting fears of increased competition in the form of higher U.S. interest rates; the announcement of a rise of 1 to 1 1/2 per cent in Chase Manhattan's prime rate came well after the official close. Lack of selling, however, prompted a modest rally and final quotations finished around 1 down on balance. The Government Securities index gave up only 0.15 to 68.07.

Equities made a quietly steady start awaiting the opening of business in the Funds and, as in Monday's trade, the bulk of the leaders subsequently remained untested. The FT 30-share index closed 0.5 higher at 488.1. Against the slightly better trend, Hawker came on offer following reports of a broker's downgrading of its profits forecast for the company.

The volume of activity receded further with bargains totalling 17,434 for a two-day average of 17,235 compared with the week-ago level of 18,383. Special situations and those companies with trading statements announced on due provided scattered pockets of interest, but the mixed overall pattern of price changes showed in the rises: falls ratio of 3:2 in FT-quoted Industrials.

Among the sectors, Shippings benefited from much better-than-expected interim figures from Ocean Transport and Liners, and made further improvements on the satisfactory start to the half-yearly report season, but the latter boiled over and closed with isolated firm spots.

South African Gold shares rallied on the recovery in the metal price, but Australian issues were subdued pending details of the Federal Budget. In Traded options, P & O, interim results due early next month, contributed 204 deals to a total of 974, and in demand were Ladbroke and Commercial Union with 191 and 128 trades respectively.

Yesterday's London listing of Shackleton Petroleum, a Canadian exploration company, passed off fairly quietly, when dealings began under Special Rule 4 at 1.30 pm, the shares quickly improved from an opening level of 56p to 70p which compares with the placing price of 51 (37p) of 10 1/2m shares with UK institutions.

## Barclays up again

Quietly firm conditions prevailed in the major clearing banks. Renewed support ahead of tomorrow's interim results prompted a fresh rise of 8 to 420p in Barclays. Midland hardened a couple of pence to 32 1/2p as did NatWest, to 380p. Merchant banks were featured by Hambros which revived with a rise of 18 to 548p on investment buying. Mercury Securities gained 5 to 18 1/2p and Manson hardened 3 to 50 1/2p. Still reflecting disappointment that Wednesday's brief suspension of dealings did not result in the much-anticipated bid but in details of the Trustee Savings Bank's acquisition of a 75 per cent interest in the company's instalment credit business, UTD encountered further selling and closed 4 off at 44p compared with the pre-suspension price of 48 1/2p.

Pearl Assurance stood out in Insurances, rising 14 to 414p on buying ahead of next Wednesday's interim results. Equity and Law put on 4 to 312p as did Hambros Life, to 270p. Comment on the favourable first-half results helped Royals touch a 1980 peak of 422p before profit-taking left a close of 415p, down 5 on balance. Elsewhere, Christopher Moran came on offer and lost 2 to 22p.

## Gussies firm

Buildings again trended firmer. Blue Circle and BPE hardened 2 1/2 pence to 370p and 238p respectively, while Costain improved 4 to 176p. Elsewhere, Istock Johnson put on 5 for a two-day gain of 8 to 69p on speculative buying fuelled by takeover talk, while French added 2 to 43p on a favourable Press mention. Couder, at 115p, regained the previous day's fall of 2 that followed the interim results. Among Timbers, Magnet and Hawker revived with a gain of 5 to 187p.

A couple of pence firmer initially, ICI slipped to 366p before closing unchanged on balance at 368p. Fisons added 3 for a two-day gain of 13 to 256p, helped by vague bid rumours. Anglo-Iranian Chemicals, Catalina dropped 5 1/2p on fresh consideration of the interim loss, but Blagden and Noakes, at 115p, recovered a

couple of pence of the previous day's fall of 9 that stemmed from the mid-term profits slump.

Store majors traded quietly and, with the exception of Gussies "A," 8 better at 454p, most hovered around the overnight levels. Elsewhere, speculative support was again noted for Lee Cooper, 4 better at 154p, but Polly Peck came in for profit-taking and shed that much to 93p.

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Among Leisure issues, Associated put on 6 to 113p on speculative buying in a market none-too-well supplied with stock.

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Elsewhere, Allnatt London firmed 4 to 218p on a broker's circular. The successful rights issues made no apparent impression on McKay Securities which held at 145p. Recently firm on Far-Eastern influences, Hong Kong Land and Swire Properties eased 3 1/2 pence to 131p and 75p respectively.

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Standing around 6 easier awaiting the interim figures, Lasmo reacted sharply on the announcement to 680p before closing a net 17 down at 703p.

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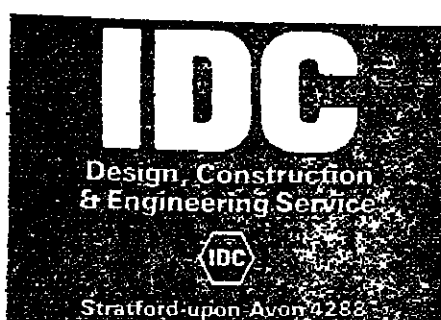
Ball, 8 up at 268p, after 28p, while Laird put on 3 to 106p on its Australian subsidiary having been awarded a near-£30m contract to build



[illegible]

**Continued on previous page**





## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	Yield	Div.
100.00	99.50	Endeavour 12m 1980	99.50	13.11	12.50
99.50	99.00	Treasury 12m 1980	99.00	13.11	12.50
99.00	98.50	Treasury 12m 1981	98.50	13.11	12.50
98.50	98.00	Treasury 12m 1982	98.00	13.11	12.50
98.00	97.50	Treasury 12m 1983	97.50	13.11	12.50
97.50	97.00	Treasury 12m 1984	97.00	13.11	12.50
97.00	96.50	Treasury 12m 1985	96.50	13.11	12.50
96.50	96.00	Treasury 12m 1986	96.00	13.11	12.50
96.00	95.50	Treasury 12m 1987	95.50	13.11	12.50
95.50	95.00	Treasury 12m 1988	95.00	13.11	12.50
95.00	94.50	Treasury 12m 1989	94.50	13.11	12.50
94.50	94.00	Treasury 12m 1990	94.00	13.11	12.50
94.00	93.50	Treasury 12m 1991	93.50	13.11	12.50
93.50	93.00	Treasury 12m 1992	93.00	13.11	12.50
93.00	92.50	Treasury 12m 1993	92.50	13.11	12.50
92.50	92.00	Treasury 12m 1994	92.00	13.11	12.50
92.00	91.50	Treasury 12m 1995	91.50	13.11	12.50
91.50	91.00	Treasury 12m 1996	91.00	13.11	12.50
91.00	90.50	Treasury 12m 1997	90.50	13.11	12.50
90.50	90.00	Treasury 12m 1998	90.00	13.11	12.50
90.00	89.50	Treasury 12m 1999	89.50	13.11	12.50
89.50	89.00	Treasury 12m 2000	89.00	13.11	12.50
89.00	88.50	Treasury 12m 2001	88.50	13.11	12.50
88.50	88.00	Treasury 12m 2002	88.00	13.11	12.50
88.00	87.50	Treasury 12m 2003	87.50	13.11	12.50
87.50	87.00	Treasury 12m 2004	87.00	13.11	12.50
87.00	86.50	Treasury 12m 2005	86.50	13.11	12.50
86.50	86.00	Treasury 12m 2006	86.00	13.11	12.50
86.00	85.50	Treasury 12m 2007	85.50	13.11	12.50
85.50	85.00	Treasury 12m 2008	85.00	13.11	12.50
85.00	84.50	Treasury 12m 2009	84.50	13.11	12.50
84.50	84.00	Treasury 12m 2010	84.00	13.11	12.50
84.00	83.50	Treasury 12m 2011	83.50	13.11	12.50
83.50	83.00	Treasury 12m 2012	83.00	13.11	12.50
83.00	82.50	Treasury 12m 2013	82.50	13.11	12.50
82.50	82.00	Treasury 12m 2014	82.00	13.11	12.50
82.00	81.50	Treasury 12m 2015	81.50	13.11	12.50
81.50	81.00	Treasury 12m 2016	81.00	13.11	12.50
81.00	80.50	Treasury 12m 2017	80.50	13.11	12.50
80.50	80.00	Treasury 12m 2018	80.00	13.11	12.50
80.00	79.50	Treasury 12m 2019	79.50	13.11	12.50
79.50	79.00	Treasury 12m 2020	79.00	13.11	12.50
79.00	78.50	Treasury 12m 2021	78.50	13.11	12.50
78.50	78.00	Treasury 12m 2022	78.00	13.11	12.50
78.00	77.50	Treasury 12m 2023	77.50	13.11	12.50
77.50	77.00	Treasury 12m 2024	77.00	13.11	12.50
77.00	76.50	Treasury 12m 2025	76.50	13.11	12.50
76.50	76.00	Treasury 12m 2026	76.00	13.11	12.50
76.00	75.50	Treasury 12m 2027	75.50	13.11	12.50
75.50	75.00	Treasury 12m 2028	75.00	13.11	12.50
75.00	74.50	Treasury 12m 2029	74.50	13.11	12.50
74.50	74.00	Treasury 12m 2030	74.00	13.11	12.50
74.00	73.50	Treasury 12m 2031	73.50	13.11	12.50
73.50	73.00	Treasury 12m 2032	73.00	13.11	12.50
73.00	72.50	Treasury 12m 2033	72.50	13.11	12.50
72.50	72.00	Treasury 12m 2034	72.00	13.11	12.50
72.00	71.50	Treasury 12m 2035	71.50	13.11	12.50
71.50	71.00	Treasury 12m 2036	71.00	13.11	12.50
71.00	70.50	Treasury 12m 2037	70.50	13.11	12.50
70.50	70.00	Treasury 12m 2038	70.00	13.11	12.50
70.00	69.50	Treasury 12m 2039	69.50	13.11	12.50
69.50	69.00	Treasury 12m 2040	69.00	13.11	12.50
69.00	68.50	Treasury 12m 2041	68.50	13.11	12.50
68.50	68.00	Treasury 12m 2042	68.00	13.11	12.50
68.00	67.50	Treasury 12m 2043	67.50	13.11	12.50
67.50	67.00	Treasury 12m 2044	67.00	13.11	12.50
67.00	66.50	Treasury 12m 2045	66.50	13.11	12.50
66.50	66.00	Treasury 12m 2046	66.00	13.11	12.50
66.00	65.50	Treasury 12m 2047	65.50	13.11	12.50
65.50	65.00	Treasury 12m 2048	65.00	13.11	12.50
65.00	64.50	Treasury 12m 2049	64.50	13.11	12.50
64.50	64.00	Treasury 12m 2050	64.00	13.11	12.50
64.00	63.50	Treasury 12m 2051	63.50	13.11	12.50
63.50	63.00	Treasury 12m 2052	63.00	13.11	12.50
63.00	62.50	Treasury 12m 2053	62.50	13.11	12.50
62.50	62.00	Treasury 12m 2054	62.00	13.11	12.50
62.00	61.50	Treasury 12m 2055	61.50	13.11	12.50
61.50	61.00	Treasury 12m 2056	61.00	13.11	12.50
61.00	60.50	Treasury 12m 2057	60.50	13.11	12.50
60.50	60.00	Treasury 12m 2058	60.00	13.11	12.50
60.00	59.50	Treasury 12m 2059	59.50	13.11	12.50
59.50	59.00	Treasury 12m 2060	59.00	13.11	12.50
59.00	58.50	Treasury 12m 2061	58.50	13.11	12.50
58.50	58.00	Treasury 12m 2062	58.00	13.11	12.50
58.00	57.50	Treasury 12m 2063	57.50	13.11	12.50
57.50	57.00	Treasury 12m 2064	57.00	13.11	12.50
57.00	56.50	Treasury 12m 2065	56.50	13.11	12.50
56.50	56.00	Treasury 12m 2066	56.00	13.11	12.50
56.00	55.50	Treasury 12m 2067	55.50	13.11	12.50
55.50	55.00	Treasury 12m 2068	55.00	13.11	12.50
55.00	54.50	Treasury 12m 2069	54.50	13.11	12.50
54.50	54.00	Treasury 12m 2070	54.00	13.11	12.50
54.00	53.50	Treasury 12m 2071	53.50	13.11	12.50
53.50	53.00	Treasury 12m 2072	53.00	13.11	12.50
53.00	52.50	Treasury 12m 2073	52.50	13.11	12.50
52.50	52.00	Treasury 12m 2074	52.00	13.11	12.50
52.00	51.50	Treasury 12m 2075	51.50	13.11	12.50
51.50	51.00	Treasury 12m 2076	51.00	13.11	12.50
51.00	50.50	Treasury 12m 2077	50.50	13.11	12.50
50.50	50.00	Treasury 12m 2078	50.00	13.11	12.50
50.00	49.50	Treasury 12m 2079	49.50	13.11	12.50
49.50	49.00	Treasury 12m 2080	49.00	13.11	12.50
49.00	48.50	Treasury 12m 2081	48.50	13.11	12.50
48.50	48.00	Treasury 12m 2082	48.00	13.11	12.50
48.00	47.50	Treasury 12m 2083	47.50	13.11	12.50
47.50	47.00	Treasury 12m 2084	47.00	13.11	12.50
47.00	46.50	Treasury 12m 2085	46.50	13.11	12.50
46.50	46.00	Treasury 12m 2086	46.00	13.11	12.50
46.00	45.50	Treasury 12m 2087	45.50	13.11	12.50
45.50	45.00	Treasury 12m 2088	45.00	13.11	12.50
45.00	44.50	Treasury 12m 2089	44.50	13.11	12.50
44.50	44.00	Treasury 12m 2090	44.00	13.11	12.50
44.00	43.50	Treasury 12m 2091	43.50	13.11	12.50
43.50	43.00	Treasury 12m 2092	43.00	13.11	12.50
43.00	42.50	Treasury 12m 2093	42.50	13.11	12.50
42.50	42.00	Treasury 12m 2094	42.00	13.11	12.50
42.00	41.50	Treasury 12m 2095	41.50	13.11	12.50
41.50	41.00	Treasury 12m 2096	41.00	13.11	12.50
41.00	40.50	Treasury 12m 2097	40.50	13.11	12.50
40.50	40.00	Treasury 12m 2098	40.00	13.11	12.50
40.00	39.50	Treasury 12m 2099	39.50	13.11	12.50
39.50	39.00	Treasury 12m 2100	39.00	13.11	12.50
39.00	38.50	Treasury 12m 2101	38.50	13.11	12.50
38.50	38.00	Treasury 12m 2102	38.00	13.11	12.50
38.00	37.50	Treasury 12m 2103	37.50	13.11	12.50
37.50	37.00	Treasury 12m 2104	37.00	13.11	12.50
37.00	36.50	Treasury 12m 2105	36.50	13.11	12.50
36.50	36.00	Treasury 12m 2106	36.00	13.11	12.50
36.00	35.50	Treasury 12m 2107	35.50	13.11	12.50
35.50	35.00	Treasury 12m 2108	35.00	13.11	12.50
35.00	34.50	Treasury 12m 2109	34.50	13.11	12.50
34.50	34.00	Treasury 12m 2110	34.00	13.11	12.50
34.00	33.50	Treasury 12m 2111	33.50	13.11	12.50
33.50	33.00	Treasury 12m 2112	33.00	13.11	12.50
33.00	32.50	Treasury 12m 2113	32.50	13.11	12.50
32.50	32.00	Treasury 12m 2114	32.00	13.11	12.50
32.00	31.50	Treasury 12m 2115	31.50	13.11	12.50
31.50	31.00	Treasury 12m 2116	31.00	13.11	12.50
31.00	30.50	Treasury 12m 2117	30.50	13.11	12.50
30.50	30.00	Treasury 12m 2118	30.00	13.11	12.50
30.00	29.50	Treasury 12m 2119	29.50	13.11	12.50
29.50	29.00	Treasury 12m 2120	29.00	13.11	12.50
29.00	28.50	Treasury 12m 2121	28.50	13.11	12.50
28.50	28.00	Treasury 12m 2122	28.00	13.11	12.50
28.00	27.50	Treasury 12m 2123	27.50	13.11	12.50
27.50	27.00	Treasury 12m 2124	27.00	13.11	12.50
27.00	26.50	Treasury 12m 2125	26.50	13.11	12.50
26.50	26.00	Treasury 12m 2126	26.00	13.11	12.50
26.00	25.50	Treasury 12m 2127	25.50	13.11	12.50
25.50	25.00	Treasury 12m 2128	25.00	13.11	12.50
25.00	24.50	Treasury 12m 2129	24.50	13.11	12.50
24.50	24.00	Treasury 12m 2130	24.00	13.11	12.50
24.00	23.50	Treasury 12m 2131	23.50	13.11	12.50
23.50	23.00	Treasury 12m 2132	23.00	13.11	12.50
23.00	22.50	Treasury 12m 2133	22.50	13.11	12.50
22.50	22.00	Treasury 12m 2134	22.00	13.11	12.50
22.00	21.50	Treasury 12m 2135	21.50	13.11	12.50
21.50	21.00	Treasury 12m 2136	21.00	13.11	12.50
21.00	20.50	Treasury 12m 2137	20.50	13.11	12.50
20.50	20.00	Treasury 12m 2138	20.00	13.11	12.50
20.00	19.50	Treasury 12m 2139	19.50	13.11	12.50
19.50	19.00	Treasury 12m 2140	19.00	13.11	12.50
19.00	18.50	Treasury 12m 2141	18.50	13.11	12.50
18.50	18.00	Treasury 12m 2142	18.00	13.11	12.50
18.00	17.50	Treasury 12m 2143	17.50	13.11	12.50
17.50	17.00	Treasury 12m 2144	17.00	13.11	12.50
17.00	16.50	Treasury 12m 2145	16.50	13.11	12.50
16.50	16.00	Treasury 12m 2146	16.00	13.	



## INDUSTRIALS—Continued

## INSURANCE—Continued

## PROPERTY—Continued

## INVESTMENT TRUSTS—Cont.

## FINANCE

Stock	Price	Div	Yield	Stock	Price	Div	Yield
British Airways	120.00	1.50	1.25%	British Airways	120.00	1.50	1.25%
British Petroleum	110.00	1.20	1.09%	British Petroleum	110.00	1.20	1.09%
British Telecom	100.00	1.00	1.00%	British Telecom	100.00	1.00	1.00%
British Overseas Airways	90.00	0.90	1.00%	British Overseas Airways	90.00	0.90	1.00%
British Airways	80.00	0.80	1.00%	British Airways	80.00	0.80	1.00%
British Airways	70.00	0.70	1.00%	British Airways	70.00	0.70	1.00%
British Airways	60.00	0.60	1.00%	British Airways	60.00	0.60	1.00%
British Airways	50.00	0.50	1.00%	British Airways	50.00	0.50	1.00%
British Airways	40.00	0.40	1.00%	British Airways	40.00	0.40	1.00%
British Airways	30.00	0.30	1.00%	British Airways	30.00	0.30	1.00%
British Airways	20.00	0.20	1.00%	British Airways	20.00	0.20	1.00%
British Airways	10.00	0.10	1.00%	British Airways	10.00	0.10	1.00%
British Airways	5.00	0.05	1.00%	British Airways	5.00	0.05	1.00%
British Airways	2.50	0.025	1.00%	British Airways	2.50	0.025	1.00%
British Airways	1.25	0.0125	1.00%	British Airways	1.25	0.0125	1.00%
British Airways	0.625	0.00625	1.00%	British Airways	0.625	0.00625	1.00%
British Airways	0.3125	0.003125	1.00%	British Airways	0.3125	0.003125	1.00%
British Airways	0.15625	0.0015625	1.00%	British Airways	0.15625	0.0015625	1.00%
British Airways	0.078125	0.00078125	1.00%	British Airways	0.078125	0.00078125	1.00%
British Airways	0.0390625	0.000390625	1.00%	British Airways	0.0390625	0.000390625	1.00%
British Airways	0.01953125	0.0001953125	1.00%	British Airways	0.01953125	0.0001953125	1.00%
British Airways	0.009765625	0.00009765625	1.00%	British Airways	0.009765625	0.00009765625	1.00%
British Airways	0.0048828125	0.000048828125	1.00%	British Airways	0.0048828125	0.000048828125	1.00%
British Airways	0.00244140625	0.0000244140625	1.00%	British Airways	0.00244140625	0.0000244140625	1.00%
British Airways	0.001220703125	0.00001220703125	1.00%	British Airways	0.001220703125	0.00001220703125	1.00%
British Airways	0.0006103515625	0.000006103515625	1.00%	British Airways	0.0006103515625	0.000006103515625	1.00%
British Airways	0.00030517578125	0.0000030517578125	1.00%	British Airways	0.00030517578125	0.0000030517578125	1.00%
British Airways	0.000152587890625	0.00000152587890625	1.00%	British Airways	0.000152587890625	0.00000152587890625	1.00%
British Airways	0.0000762939453125	0.000000762939453125	1.00%	British Airways	0.0000762939453125	0.000000762939453125	1.00%
British Airways	0.00003814697265625	0.0000003814697265625	1.00%	British Airways	0.00003814697265625	0.0000003814697265625	1.00%
British Airways	0.000019073486328125	0.00000019073486328125	1.00%	British Airways	0.000019073486328125	0.00000019073486328125	1.00%
British Airways	0.0000095367431640625	0.000000095367431640625	1.00%	British Airways	0.0000095367431640625	0.000000095367431640625	1.00%
British Airways	0.00000476837158203125	0.0000000476837158203125	1.00%	British Airways	0.00000476837158203125	0.0000000476837158203125	1.00%
British Airways	0.000002384185791015625	0.00000002384185791015625	1.00%	British Airways	0.000002384185791015625	0.00000002384185791015625	1.00%
British Airways	0.0000011920928955078125	0.000000011920928955078125	1.00%	British Airways	0.0000011920928955078125	0.000000011920928955078125	1.00%
British Airways	0.00000059604644775390625	0.0000000059604644775390625	1.00%	British Airways	0.00000059604644775390625	0.0000000059604644775390625	1.00%
British Airways	0.000000298023223876953125	0.00000000298023223876953125	1.00%	British Airways	0.000000298023223876953125	0.00000000298023223876953125	1.00%
British Airways	0.0000001490116119384765625	0.000000001490116119384765625	1.00%	British Airways	0.0000001490116119384765625	0.000000001490116119384765625	1.00%
British Airways	0.00000007450580596923828125	0.000000007450580596923828125	1.00%	British Airways	0.00000007450580596923828125	0.000000007450580596923828125	1.00%
British Airways	0.000000037252902984619140625	0.0000000037252902984619140625	1.00%	British Airways	0.000000037252902984619140625	0.0000000037252902984619140625	1.00%
British Airways	0.0000000186264514923095703125	0.00000000186264514923095703125	1.00%	British Airways	0.0000000186264514923095703125	0.00000000186264514923095703125	1.00%
British Airways	0.00000000931322574615478515625	0.00000000931322574615478515625	1.00%	British Airways	0.00000000931322574615478515625	0.00000000931322574615478515625	1.00%
British Airways	0.000000004656612873077392578125	0.000000004656612873077392578125	1.00%	British Airways	0.000000004656612873077392578125	0.000000004656612873077392578125	1.00%
British Airways	0.0000000023283064365386962890625	0.0000000023283064365386962890625	1.00%	British Airways	0.0000000023283064365386962890625	0.0000000023283064365386962890625	1.00%
British Airways	0.00000000116415321826934814453125	0.00000000116415321826934814453125	1.00%	British Airways	0.00000000116415321826934814453125	0.00000000116415321826934814453125	1.00%
British Airways	0.000000000582076609134674072265625	0.000000000582076609134674072265625	1.00%	British Airways	0.000000000582076609134674072265625	0.000000000582076609134674072265625	1.00%
British Airways	0.0000000002910383045673370361328125	0.0000000002910383045673370361328125	1.00%	British Airways	0.0000000002910383045673370361328125	0.0000000002910383045673370361328125	1.00%
British Airways	0.00000000014551915228366851806640625	0.00000000014551915228366851806640625	1.00%	British Airways	0.00000000014551915228366851806640625	0.00000000014551915228366851806640625	1.00%
British Airways	0.000000000072759576141834259033203125	0.000000000072759576141834259033203125	1.00%	British Airways	0.000000000072759576141834259033203125	0.000000000072759576141834259033203125	1.00%
British Airways	0.0000000000363797880709171295166015625	0.0000000000363797880709171295166015625	1.00%	British Airways	0.0000000000363797880709171295166015625	0.0000000000363797880709171295166015625	1.00%
British Airways	0.00000000001818989403545856475830078125	0.00000000001818989403545856475830078125	1.00%	British Airways	0.00000000001818989403545856475830078125	0.00000000001818989403545856475830078125	1.00%
British Airways	0.000000000009094947017729282379150390625	0.000000000009094947017729282379150390625	1.00%	British Airways	0.000000000009094947017729282379150390625	0.000000000009094947017729282379150390625	1.00%
British Airways	0.0000000000045474735088646191895751953125	0.0000000000045474735088646191895751953125	1.00%	British Airways	0.0000000000045474735088646191895751953125	0.0000000000045474735088646191895751953125	1.00%
British Airways	0.00000000000227373675443230959478759765625	0.00000000000227373675443230959478759765625	1.00%	British Airways	0.00000000000227373675443230959478759765625	0.00000000000227373675443230959478759765625	1.00%
British Airways	0.000000000001136868377216154797393798828125	0.000000000001136868377216154797393798828125	1.00%	British Airways	0.000000000001136868377216154797393798828125	0.000000000001136868377216154797393798828125	1.00%
British Airways	0.0000000000005684341886080773986968994140625	0.0000000000005684341886080773986968994140625	1.00%	British Airways	0.0000000000005684341886080773986968994140625	0.0000000000005684341886080773986968994140625	1.00%
British Airways	0.00000000000028421709430403869934844970703125	0.00000000000028421709430403869934844970703125	1.00%	British Airways	0.00000000000028421709430403869934844970703125	0.00000000000028421709430403869934844970703125	1.00%
British Airways	0.000000000000142108547152019349674224853515625	0.000000000000142108547152019349674224853515625	1.00%	British Airways	0.000000000000142108547152019349674224853515625	0.000000000000142108547152019349674224853515625	1.00%
British Airways	0.0000000000000710542735760096748371124267578125	0.0000000000000710542735760096748371124267578125	1.00%	British Airways	0.0000000000000710542735760096748371124267578125	0.0000000000000710542735760096748371124267578125	1.00%
British Airways	0.00000000000003552713678800483741855621337890625	0.00000000000003552713678800483741855621337890625	1.00%	British Airways	0.00000000000003552713678800483741855621337890625	0.00000000000003552713678800483741855621337890625	1.00%
British Airways	0.000000000000017763568394002418709278106689453125	0.000000000000017763568394002418709278106689453125	1.00%	British Airways	0.000000000000017763568394002418709278106689453125	0.000000000000017763568394002418709278106689453125	1.00%
British Airways	0.0000000000000088817841970012093546390533447265625	0.0000000000000088817841970012093546390533447265625	1.00%	British Airways	0.0000000000000088817841970012093546390533447265625	0.0000000000000088817841970012093546390533447265625	1.00%
British Airways	0.0000000000000044408920985006046773195266723828125	0.0000000000000044408920985006046773195266723828125	1.00%	British Airways	0.0000000000000044408920985006046773195266723828125	0.0000000000000044408920985006046773195266723828125	1.00%
British Airways	0.00000000000000222044604925030233865976333619140625	0.00000000000000222044604925030233865976333619140625	1.00%	British Airways	0.00000000000000222044604925030233865976333619140625	0.00000000000000222044604925030233865976333619140625	1.00%
British Airways	0.000000000000001110223024625151169329881668095703125	0.000000000000001110223024625151169329881668095703125	1.00%	British Airways	0.000000000000001110223024625151169329881668095703125	0.000000000000001110223024625151169329881668095703125	1.00%
British Airways	0.0000000000000005551115123125755846494408340478515625	0.0000000000000005551115123125755846494408340478515625	1.00%	British Airways	0.0000000000000005551115123125755846494408340478515625	0.0000000000000005551115123125755846494408340478515625	1.00%
British Airways	0.00000000000000027755575615628779232472041702392578125	0.00000000000000027755575615628779232472041702392578125	1.00%	British Airways	0.00000000000000027755575615628779232472041702392578125	0.00000000000000027755575615628779232472041702392578125	1.00%
British Airways	0.000000000000000138777878078143896162360208511962890625	0.000000000000000138777878078143896162360208511962890625	1.00%	British Airways	0.000000000000000138777878078143896162360208511962890625	0.000000000000000138777878078143896162360208511962890625	1.00%
British Airways	0.0000000000000000693889390390719480811801042559814453125	0.0000000000000000693889390390719480811801042559814453125	1.00%	British Airways	0.0000000000000000693889390390719480811801042559814453125	0.0000000000000000693889390390719480811801042559814453125	1.00%
British Airways	0.0000000000000000346944695195359740405900521279907265625	0.0000000000000000346944695195359740405900521279907265625	1.00%	British Airways	0.0000000000000000346944695195359740405900521279907265625	0.0000000000000000346944695195359740405900521279907265625	1.00%
British Airways	0.00000000000000001734723475976798702029502606399537890625	0.00000000000000001734723475976798702029502606399537890625	1.00%	British Airways	0.00000000000000001734723475976798702029502606399537890625	0.00000000000000001734723475976798702029502606399537890625	1.00%
British Airways	0.0000000000000000086736173798839935101475130319976953125	0.0000000000000000086736173798839935101475130319976953125	1.00%	British Airways	0.0000000000000000086736173798839935101475130319976953125	0.0000000000000000086736173798839935101475130319976953125	1.00%



